



AGENDA

COUNCIL OF THE TOWN OF WARRENTON

WORKSESSION

Monday, May 15, 2017

7:00 PM

1. Call to Order
2. April Financial Statement
3. FY18 Budget Discussion
4. Adjourn



Town Council Work Session

May 15, 2017

April Financial Statement

Agenda Memorandum

Submitted by: Stephanie Miller, Director of Finance & Human Resources

Discussion: The April Financial statement is attached for your consideration.

Town Manager

ATTACHMENTS:

Description	Type	Upload Date
April 2017 Financial Statement	Financial Statement	5/12/2017
April Bills Paid	Financial Statement	5/15/2017

FINANCIAL STATEMENTS

as of April 30, 2017



Department of Finance and Human Resources

Page 1 – Finance Director’s Accountability Report
Page 2 – State of Revenues
Page 3 – Statement of Expenditures
Page 4 – Investment Report

Town of Warrenton, Virginia
Finance Director's Accountability Report
April 30, 2017

	<u>April 30, 2016</u>	<u>April 30, 2017</u>
CASH		
On Hand	\$ 2,010	\$ 2,010
Checking Accounts	1,089,133	1,535,007
Money Market Accounts	261,956	305,275
TOTAL CASH IN BANK	<u>1,353,099</u>	<u>1,842,292</u>
INVESTMENTS		
Virginia Local Government Investment Pool	15,667,453	12,761,300
Virginia Investment Pool	-	3,004,168
Virginia SNAP	4,931,414	4,763,272
TOTAL INVESTMENTS	<u>20,598,867</u>	<u>20,528,739</u>
 TOTAL CASH AND INVESTMENTS	 <u>\$ 21,951,966</u>	 <u>\$ 22,371,031</u>
 CASH BALANCES	 \$ 21,951,966	 \$ 22,371,031
General Fund		
Restricted		
Proffers:		
Highland Street Maintenance Proffer	96,442	97,044
Adelphia Cable Proffer	41,000	41,000
Recreation Proffer	173,339	173,339
Academy Hill Park Recreation Proffer	59,500	59,500
Walmart Proffers	180,000	180,000
Poet's Walk Proffer	-	10,000
Other restricted cash	807	21,513
50% Budget Reserve (15% for prior year)	2,218,553	6,437,009
Encumbrances	1,869,516	1,010,076
Water & Sewer Fund		
Restricted	5,235,267	
15% Budget Reserve	827,871	-
Encumbrances	578,485	-
Water & Sewer Operating Fund		
200 Days Budget Reserve	-	3,000,780
Encumbrances	-	242,324
Water & Sewer Capital Fund		5,235,035
Cemetery Perpetual Care	594,131	597,625
Agency Fund	238,540	300,182
Retirement Fund	9,668	9,728
Total Designated Cash	<u>12,123,120</u>	<u>17,415,154</u>
 Total Undesignated Cash Balance	 <u>\$ 9,828,846</u>	 <u>\$ 4,955,877</u>
 General Fund	 6,067,703	 2,504,094
Water/Sewer Fund	3,761,143	-
Water/Sewer Operating Fund	-	2,451,783
	<u>\$ 9,828,846</u>	<u>\$ 4,955,877</u>

Town of Warrenton, Virginia

Comparison of Revenues with Estimates for the Period Ending April 30, 2017

Source of Revenue	Estimate	Realized	% (R)	Unrealized	Prior Year
GENERAL FUND					
General Property Taxes	\$1,229,450	\$833,358	67.78%	\$396,092	\$548,793
Other Local Taxes	6,381,063	3,525,904	55.26%	2,855,159	3,237,018
Permits, Privilege Fees & Licenses	187,100	139,280	74.44%	47,820	157,296
Fines & Forfeitures	180,000	94,756	52.64%	85,244	94,378
Revenue from Use of Money & Property	22,500	61,650	274.00%	(39,150)	30,304
Charges for Services	1,286,588	998,847	77.64%	287,741	953,247
Miscellaneous Revenue	205,700	247,607	120.37%	(41,907)	173,857
Non-Categorical Aid	680,100	419,821	61.73%	260,279	416,269
Categorical Aid	2,302,542	1,956,030	84.95%	346,512	1,927,150
Revenue from Federal Government	335,882	321,892	95.83%	13,990	16,594
Non-Revenue Receipts	995,441	0	0.00%	995,441	0
TOTAL GENERAL FUND	\$13,806,366	\$8,599,146	62.28%	\$5,207,220	\$7,554,906
CAPITAL PROJECTS FUND					
Revenue from the Commonwealth	\$316,896	\$0	0.00%	\$316,896	\$135,789
Transfers	1,230,419	0	0.00%	1,230,419	0
TOTAL CAPITAL PROJECTS FUND	\$1,547,314	\$0	0.00%	\$1,547,314	\$135,789
WATER & SEWER OPERATING FUND					
Transfer Fees	\$9,000	\$7,420	82.44%	\$1,580	\$7,860
Revenue from Use of Money & Property	154,500	143,004	92.56%	11,496	129,038
Charges for Services	5,193,605	4,231,475	81.47%	962,130	3,132,276
Recovered Costs	38,799	3,624	9.34%	35,175	35,404
Miscellaneous Revenue	5,500	13,291	0.00%	(7,791)	9,182
Grant Revenue	0	8,500	0.00%	(8,500)	0
Transfers	20,268	0	0.00%	20,268	0
TOTAL W&S OPERATING FUND	\$5,421,672	\$4,407,315	81.29%	\$1,014,357	\$3,313,760
WATER & SEWER CAPITAL FUND					
Revenue from Use of Money & Property	\$0	\$22,947	0.00%	(22,947)	\$0
Non-Revenue Receipts	1,391,076	423,517	30.45%	967,559	363,519
Transfers	1,240,819	0	0.00%	1,240,819	0
TOTAL W&S CAPITAL FUND	\$2,631,895	\$446,464	16.96%	\$2,185,431	\$363,519
TOTAL ALL FUNDS	\$23,407,248	\$13,452,925	57.47%	\$9,954,323	\$11,367,974
INTERNAL SERVICE FUNDS					
Motor Pool	\$477,401	\$505,761	105.94%	(\$28,360)	\$300,830
Information Technology	\$360,029	\$270,026	75.00%	\$90,003	\$218,550

Town of Warrenton, Virginia

Comparison of Expenditures with Appropriations for the Period Ending April 30, 2017

Function	Appropriation	Expenditure	% (E)	Unexpended	Prior Year
GENERAL FUND					
Legislative Department	\$163,520	\$115,084	70.38%	\$48,436	\$148,303
Executive Department	211,261	165,490	78.33%	45,771	138,051
Legal Services	187,376	118,173	63.07%	69,203	135,211
Finance Department	532,695	382,054	71.72%	150,641	375,906
Other Organizations	10,040	10,040	100.00%	0	8,579
Electoral Board	0	0	0.00%	0	0
Public Safety	3,762,525	3,026,858	80.45%	735,667	3,047,719
Department of Public Works	4,086,464	3,217,307	78.73%	869,157	2,751,957
Welfare Social Services	116,937	112,970	96.61%	3,967	115,071
Parks and Recreation	2,081,953	1,550,203	74.46%	531,749	1,461,875
Cultural Enrichment	67,000	57,000	85.07%	10,000	63,522
Community Development	1,018,852	640,701	62.88%	378,152	508,818
Transfers	931,153	0	0.00%	931,153	0
Debt Service	636,590	726,815	114.17%	(90,225)	725,116
TOTAL GENERAL FUND	\$13,806,366	\$10,122,695	73.32%	\$3,683,671	\$9,480,128
CAPITAL PROJECTS FUND					
Capital Outlay	\$623,753	\$381,380	61.14%	\$242,373	\$129,110
Capital Projects	923,561	167,613	18.15%	755,948	373,970
TOTAL CAPITAL PROJECTS FUND	\$1,547,314	\$548,993	35.48%	\$998,321	\$503,080
WATER & SEWER OPERATING FUND					
Water Department	\$1,970,674	\$1,465,358	74.36%	\$505,316	\$1,450,616
Wastewater Department	1,762,696	1,332,012	75.57%	430,684	1,312,957
Water/ Sewer Administration	812,422	570,732	70.25%	241,691	620,962
Debt Service	103,119	103,119	100.00%	(0)	88,586
Reserve for Contingencies	0	0	0.00%	0	0
Transfers	772,761	0	0.00%	772,761	0
TOTAL W&S OPERATING FUND	\$5,421,672	\$3,471,221	64.02%	\$1,950,452	\$3,473,121
		8,304			
WATER & SEWER CAPITAL FUND					
Water & Sewer Capital Projects	\$2,631,895	\$454,137	0.00%	\$2,177,758	\$319,067
TOTAL W&S CAPITAL FUND	\$2,631,895	\$454,137	17.26%	\$2,177,758	\$319,067
TOTAL ALL FUNDS	\$23,407,248	\$14,597,046	62.36%	\$8,810,202	\$13,775,396
INTERNAL SERVICE FUNDS					
Motor Pool	\$477,401	\$538,042	112.70%	(\$60,641)	\$392,188
Information Technology	\$360,029	\$273,540	75.98%	\$86,489	\$265,306

Town of Warrenton
Investment Report
Period Ending April 30, 2017

Investment Activity	Beginning of Month	Investments	Redemptions	Investment Income	End of Month
Virginia LGIP	12,751,733	-	-	9,567	12,761,300
Virginia Investment Pool	3,001,638	-	-	2,530	3,004,168
Virginia SNAP	4,763,272	-	-	4,278	4,767,550
Total Investments	<u>\$20,516,643</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,374</u>	<u>\$20,533,018</u>

Portfolio Composition & Yield	Cost	Percent	Annual Percentage Yield	Average Remaining Life Days
Virginia LGIP	12,761,300	62.15%	0.89%	N/A
Virginia Investment Pool	3,004,168	14.63%	1.24%	N/A
Virginia SNAP	4,767,550	23.22%	0.93%	N/A
Total Investments	<u>\$20,533,018</u>	<u>100.00%</u>		

Investment Revenue/Average Yield	Last Year	This Year
Interest Revenue Projected	\$17,200	\$18,500
Interest Revenue Received Year to Date	\$25,629	\$75,299
Percentage of Interest Received to Date	149.01%	407.02%
Weighted Average Rate of Return	0.46%	0.95%
Benchmarks:		
182 day US Treasury Bill	0.38%	0.94%
LGIP - effective yield	0.46%	0.89%

TOWN OF WARRENTON, VIRGINIA
BILLS PAID APRIL 2017

Anthem Blue Cross & Blue Shield - Town Portion of Employee Health Insurance	\$ 69,879.92
Arthur Construction - Snow Removal - PW	7,125.00
Atlantic Pump and Equipment Co - WWTP Equipment Repairs	7,250.00
Carson Land Consultants - Prof.Services for Roundabout Design & Sidewalk Alignment on Gold Cup Dr - PW	11,520.00
Carter Machinery - Repairs on Various Equipment - WWTP/WTP/PW	6,230.36
Columbia Gas - Gas - Various Depts.	8,403.72
Dominion Virginia Power - Electricity - Various Depts.	63,707.46
Earth and Turf, LLC - Storm Sewer Repairs - PW	121,187.50
Hydrostructures - I & I Abatement Serv - Sanitary Sewer Inflow & Infiltration Remediation	31,600.00
Internal Revenue Service - Town Portion of FICA	41,785.95
James River Solutions - Gas and Diesel - Various Depts.	13,415.27
Jet Life Services - April Cleaning Service - WARF	5,312.50
Kimley-Horn & Associates - Prof. Transportation Review - Community Development	6,356.06
North Star Companies - Permanent Wall - WARF	11,962.00
Strategic Supply - Dyson Air Hand Dryers - WARF	6,367.00
Synagro-WWT Inc - BioSolids Disposal - WWTP	16,272.48
Treasurer of Virginia - VRS Retirement/Group Life Insurance	57,546.22
Univar - Chemicals - WTP and WWTP	34,204.54
USALCO - Chemicals - WWTP	10,309.86
Utility Service Co, Inc - Water Storage Tank Quarterly Payment - WTP	12,134.33
Virginia Regional Transit - 4th Qtr Contribution	11,246.75
Virginia Tree Specialist - Chip/Wood Removal - PW	5,100.00
Warrenton Volunteer Fire Company - Contribution	25,000.00
Water Works - Material - Stonecrest Project	21,420.78
Whitman Requardt - Engineering Consulting/Services	37,614.54
Whitson W. Robinson PLC - Legal Services	11,477.67
TOTAL BILLS PAID OVER \$5,000.00	\$ 654,429.91
BILLS PAID UNDER \$5,000.00	160,647.43
	\$ 815,077.34



**Town Council Work Session
May 15, 2017
FY18 Budget Discussion**

**Agenda Memorandum
Submitted by: Brannon Godfrey, Town Manager**

Discussion: Council has considered revisions to the Town Manager's proposed FY18 Budget at Work Sessions on April 5, April 17 and April 24. Council heard input from citizens and outside agencies at the Public Hearing on May 9. Budget adoption is scheduled for the June 13 Council Meeting.

To date, Council has requested additional information and justification on proposed staffing, capital projects and BPOL tax rates. I have attached all of the documents provided to date below for quick reference. They in order of most recent to oldest.

The updated text for departmental budget descriptions with individual organizational charts and goals in the Revised FY18 Budget Document is also attached below.

Finally, a summary of the changes by a consensus of Council to date is at the top of the list of attached documents.

Town Manager

ATTACHMENTS:

Description	Type	Upload Date
Summary of Budget Changes	Backup Material	5/11/2017
Revised Draft FY18 Budget Document	Backup Material	5/15/2017
CIP Project - Franklin St Lighting Options	Backup Material	5/11/2017
Contributions to Outside Agencies	Backup Material	5/11/2017
Comparative Tax Rates	Backup Material	5/11/2017
April 24 WS Follow Up Discussion Items from April 17 Work Session	Backup Material	5/11/2017
FY18 Staffing Justifications	Backup	5/11/2017

FY18 Proposed Budget Summary - All Funds	Material Backup Material	5/11/2017
FY17 Capital Project Status	Backup Material	5/11/2017
April 17 Budget Work Session Issues	Backup Material	5/11/2017
FY18 Police Vehicles Scheduled for Replacement	Backup Material	5/11/2017
Community Development Professional Svcs Expenditures FY17	Backup Material	5/11/2017
April 5 Initial Budget Presentation	Backup Material	5/11/2017

SUMMARY OF CHANGES TO FY 2018 PROPOSED BUDGET

AS OF MAY 15, 2017

COMMUNITY DEVELOPMENT

Inspections

For ease of understanding and presentation, the Inspection Division of Community Development has been moved from the Public Safety function to the Community Development function. It is important to note that to facilitate the reporting required by the Virginia Auditor of Public Accounts, Inspections will remain coded in the Town's accounting system in the Public Safety function.

Comprehensive Plan

Proposals in response to the Comprehensive Plan Update RFP are due on May 15, 2017. It has been expressed that the Council would like to see the balance of the Comprehensive Plan funding included in the FY 2017 budget encumbered prior to year-end. The projected balance is around \$90,000. This will reduce the amount included in the FY 2018 budget from \$170,000 to \$80,000. The balance of \$80,000 will be added to the contract via a change order on July 1, 2017.

CAPITAL PROJECTS

Library Funding

The second phase of funding for the Warrenton Library has been added to the Capital Projects Fund. This increases the transfer from the General Fund to the Capital Projects Fund by \$333,333.

<u>General Fund Operating:</u>	
Operating expenditures, as proposed	\$13,094,279
Operating expenditures, as modified	<u>\$13,004,279</u>
Increase/(Decrease)	(\$90,000)
Operating Surplus / (Deficit)	\$99,911

<u>General Fund Capital:</u>	
Transfer to capital, as proposed	\$1,459,661
Transfer to capital, as modified	<u>\$1,792,994</u>
Increase/(Decrease)	\$333,333
<u>Funded by:</u>	
General Fund Operating Surplus (above)	\$99,911
Use of Fund Balance	\$1,693,083

SUMMARY OF CHANGES TO FY 2018 PROPOSED BUDGET

AS OF MAY 15, 2017

CONTRIBUTIONS TO OUTSIDE AGENCIES

Bluemont - The Virginia Commission for the Arts (VCA) notified us that the Local Government Challenge Grant was not fully funded this year. This is the matching grant that the Town applies for each year in support of the Bluemont Concert Series. The grant has historically provided \$5,000 to match the Town's contribution of \$5,000. This year, the VCA funding will be \$4,500. The full \$10,000 was included in the Proposed Budget for the Bluemont Concert Series. The Council may decide whether to cover the \$500 reduction in State funding, or reduce the total appropriation to \$9,500.

Boys & Girls Club – Council has received a request from the Boys & Girls Club to increase the requested amount of \$10,000 that is currently included in the proposed FY18 Budget to \$30,000.

Fiscal Year 2018

Town of Warrenton, Virginia Proposed Budget



Office of the Town Manager
Town of Warrenton, Virginia
Fiscal Year 2018

DRAFT

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Section I.

Introduction





MEMORANDUM

TO: Honorable Mayor and Town Council

FROM: Brannon Godfrey, Town Manager

DATE: March 31, 2017

SUBJECT: FY18 Budget Transmittal

When Town Council began its term last summer, it set clear priorities to guide future policy development and funding decisions: Infrastructure, Economic Development and Customer Service. This budget is proposed within the framework of those priorities. It includes a large capital program to upgrade, replace or increase capacity of existing infrastructure in the governmental and utility funds. Investment in capital projects, along with continued support for a Town-focused economic development program, will ensure the growth in the Town's revenue base for the long run. This budget includes new staffing and technological improvements to better and more quickly serve our citizens in keeping with the third priority of Customer Service.

The proposed FY18 General Fund Budget (\$14,553,940) represents a total increase of \$849,461 or 6.2% over the amended FY17 Budget. Most of this increase is due to the transfer of \$1,459,661 for a large capital program, an increase of \$583,508. Excluding the transfer to the Capital Budget, the proposed General Fund operating budget (\$13,094,279) increases by \$265,954 or 2.1% over the amended FY17 and is balanced with existing operating revenues. There are no reserves needed to fund governmental operations in FY18. The proposed General Fund operating budget also does not require an increase in property tax rates, but does include rate increases proposed to the Motor Vehicle License Fee and WARF user charges.

Because of the size of the FY18 General Fund Capital Budget, there is a proposed use of surplus for most of these projects. In 2016, Town Council adopted a Fund Balance Policy which establishes a minimum reserve balance of 50% of the budget and defines "surplus." The proposed one-time capital expenditures in the Capital Budget meet the criteria for use of surplus.

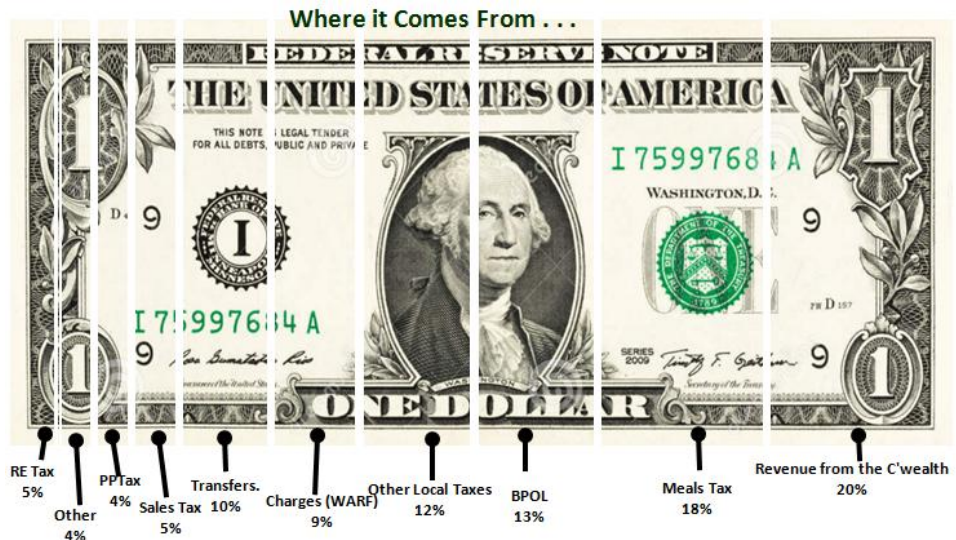
The proposed FY18 Water & Sewer Operating Fund Budget (\$5,562,138) increases by \$140,466 or 2.6% and is balanced with an overall rate increase of 3% on water & sewer use charges. The FY18 Water & Sewer Capital Budget (\$4,790,000) continues an intensive program begun last year to increase system capacity and replace aging infrastructure with a balance of operating revenues and proceeds from debt.

General Fund

Revenues

The overall increase in General Fund Revenue for FY18 is due to sustained growth in the commercial revenue base and a recommended increase in vehicle licenses fees and WARF user fees. Total revenue (less transfers and use of fund balance) increases by \$306,315 or 2.4% over FY17.

Real Estate Taxes: There are no property tax rate increases in the proposed FY18 Budget. Council took a bold step last year to increase the real estate tax rate from 1.5¢ to 5¢ for the purpose of generating additional revenue and shifting some of the General Fund tax burden from businesses to the overall property tax base.



As taxpayers, we pay for most of the cost of General Fund operations when we spend our personal income in Town businesses. Unlike cities and counties that collect most of their General Fund revenue from real estate taxes, the Town taxpayers pay very little for their government services with real estate taxes. Prior to FY17, less than 2% of annual General Fund revenue came from real estate taxes. As a result of the FY17 increase in the Real Estate Tax Rate to 5¢, the revenue now comprises 5.4% of total General Fund revenue. Together with Personal Property Tax and Public Service Tax, the entire Property Tax Revenue category represents only 8.4% of total revenue. The largest source of General Fund revenue by far continues to be business sector revenue – business licenses, meals, sales and lodging taxes. These comprise almost half of General Fund Revenue. State aid for street maintenance and law enforcement makes up the next largest share at 20.2%.

Business Revenue Forecast: The largest amount of General Fund revenue comes from businesses activity – sales tax, meals tax and BPOL revenue – justifying economic development as one of Council's top priorities. I am projecting 2.5% growth in FY18 over the current year actual collections based on a four-year trend. There are no rate increases proposed for these revenues. I am proposing to add an Accounting Technician in the Finance Department in this

budget to more closely audit BPOL and Meals tax filings, remittances and delinquent accounts, which will further increase the revenue in these categories.

- The sales tax revenue increases by \$38,200 over the FY17 Budget to \$724,200. The current year (FY17) actual revenue is on pace for \$705,000.
- Meals tax revenue increases by \$146,410 over the FY17 Budget to \$2,568,410. The current year revenue is on pace to top \$2,500,000.
- BPOL revenue increases by \$142,137 over the FY17 Budget to \$1,910,800. However, based on actual FY16 (\$1,851,068) and a conservative 1% growth projected for FY17, the FY18 growth rate of 2.5% is still conservatively projected

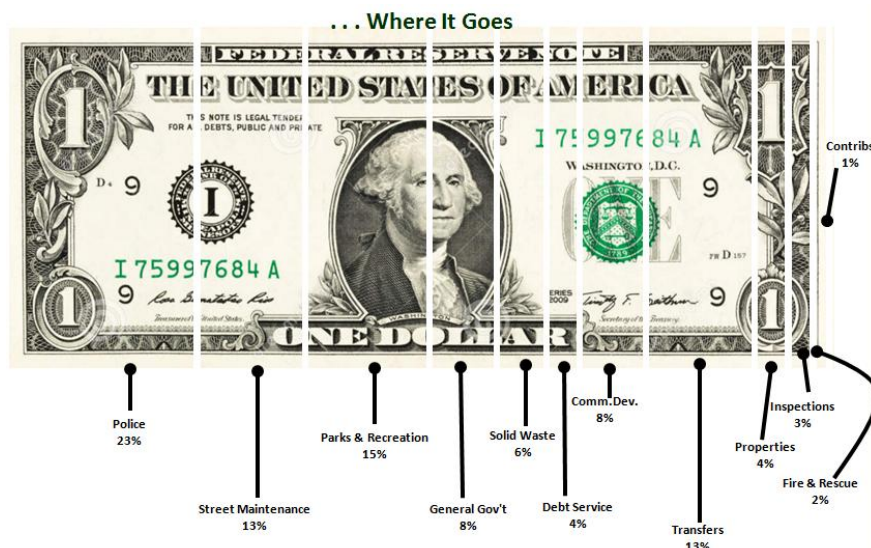
Vehicle License Fees: We discontinued the requirement to purchase a decal as proof of payment of the Motor Vehicle License Fee for FY17. In order to include payment of the License Fee with the Personal Property Tax bill, we had to forego an entire fiscal year's revenue to synchronize the billing cycles. The Motor Vehicle License Fee will be added to each Personal Property Tax bill issued this Fall and due and payable by December 15, 2017. The proposed FY18 Budget recommends increasing the Motor Vehicle License fee from \$15 to \$25 per vehicle and from \$10 to \$20 for motorcycles. This will generate an additional \$70,000 over the amount collected in FY16, and will be equal to the Fauquier County rates.

WARF Revenue Forecast: We increased the fees for use of the WARF in FY17 by 5%, the first rate increase in many years. The revenue collections for the current year reflect this increase, and we are on pace to meet the revenue forecast. This was an initial step toward the charge increases in the 2012 LERN Network analysis, but still far from the recommended rates. This budget includes a second 5% rate increase, and the proposed revenue of \$1,344,872 reflects the increase.

Transfer to Capital Projects: The proposed budget recommends an appropriation of \$1,449,750 from unassigned fund balance for the capital projects in the first year of the CIP. Because we are not financing any of the governmental capital projects with debt, they are all funded from General Fund operating revenues, VDOT Revenue Sharing funds, and surplus. After reserving the 50% policy requirement, there is currently \$4.1 Million in unassigned fund balance available for capital projects, according to the Fund Balance Policy.

Expenditures

General Fund operating expenditures (less transfers) are proposed to increase by 2% or \$265,954. The governmental functions of public safety, public works, recreation, community



development and administration comprise 82% of all General Fund expenditures. Most of the operating increase is attributable to new or upgraded staff positions.

Personnel: Our largest expenditure category is personnel – the 112 full-time and 200 part-time and seasonal employees who carry out the mission

and services of the Town. In 2015, Council approved comprehensive increases to pay based on a comparative compensation study. This budget proposes to sustain competitive pay by continuing merit-based pay increases. Employees are evaluated annually and are eligible for a 0 – 5% pay increase based on their performance rating. An average 3% increase is included in the salary line items of each department to account for performance increases.

Customer service is one of the three priorities of Town Council. This budget proposes to add three (3) new full-time positions, upgrade four (4) existing part-time positions to full-time status, and add one (1) new part-time position to more effectively deliver services to citizens. In total, these amount to \$386,927 in new salaries and benefits expenditures.

- A full-time Executive Assistant in the Town Manager's office will complement the part-time Executive Assistant/Town Clerk (salary of \$49,217 plus benefits of \$24,751). This position will provide full-day availability to citizens for general inquiries, serve as a source for Town information and maintain administrative, clerical and scheduling support for the Town Manager and Council. With the implementation of the Council committee system, there are now many more meetings for which to prepare and assemble information for publishing agendas and minutes. Further, as many of the policies and recommendations progress through various committees to the full Council, there is a need produce draft minutes in a short turnaround for review. Also, the Planning Commission and ARB hold work sessions with greater frequency. These minutes are currently taken

by part-time Permit Technicians, which takes time away from their regular duties of timely processing permits and providing information.

- A full-time Accounting Technician in the Finance Department (salary of \$36,727 plus benefits of \$22,051) to administer tax and delinquent tax collection. This is currently a shared responsibility by several members of the Finance staff. Having a full-time Accounting Technician dedicated to auditing with the responsibility of auditing BPOL, meals and lodging tax filings, remittances and delinquent accounts will assure more complete and equitable tax collection.
- A part-time Parking Enforcement Officer in the Police Department (compensation of \$29,000 plus \$2,119 in benefits) to ensure the availability of accessible customer and visitor parking. Currently we enforce parking in Old Town with existing Police Officers as available; we have not had dedicated parking enforcement staff in several years. This position does not need to be a certified law enforcement officer. Including this position in the budget is a major step toward active parking management of the timed spaces on public streets and parking lots in the core of Old Town by moving the long-term parkers, employees and government staff to the periphery.
- Replace one part-time and one seasonal Parks Maintenance Technicians with one full-time Parks Maintenance Technician in the Parks & Recreation Department for an increase of \$22,710 in salary and benefits. With growth in park patronage and increasing demand for routine repair and facility maintenance, there is a year-round need for a maintenance technician. The low pay and hours for the part-time and seasonal positions results in frequent turnover in those positions. We believe a single full-time position will attract a better pool of applicants and result in improved staffing reliability.
- Upgrade the part-time Aquatics Coordinator to full-time in the Parks & Recreation Department for an increase of \$10,680 in salary and \$19,933 in benefits. This position was requested in the FY17 budget but not funded. The Coordinator is responsible for: scheduling approximately 50 lifeguards, 10 Aquatics Supervisors and Head Guards, and 20 Water Safety Instructors; teaching certification classes for the facility, including CPR, Lifeguarding, Coaches Safety training, and Water Safety Instructor training; year-round in-service training for all staff; preparation of payroll spreadsheets; and designing the offerings for the swim lesson program.
- Add a Planner position in the Department of Community Development (salary of \$70,000 and benefits of \$28,819) to expedite the processing land use applications for compliance with the zoning code, code enforcement and zoning interpretations. The Town eliminated the Zoning Administrator position during the most recession when the need for zoning interpretations and enforcement declined with the development activity. The function of Zoning Administrator is currently performed by the Director and contract planner.
- Upgrade one of the part-time Permit Technicians in the Community Development Department to full-time for an increase of \$14,776 in salary and \$19,363 in benefits. The

full-time Permit technician was downgraded during the recession to a job-share arrangement between part-time staff. The current demand on staff requires a full- plus a part-time position to provide complete coverage of the permit desk during business hours as well as to provide support in the preparation of Planning Commission and ARB minutes and agendas.

- Upgrade of the part-time Municipal Separate Storm Sewer Permit (MS4) Coordinator to full-time in the Public Works Department for an increase in salary of \$14,983 and benefits of \$21,798. With each year of the Virginia Stormwater Management Program, there are increasing enforcement efforts required as part of the Town's MS4 permit, including developing the Total Maximum Daily Limit (TMDL) Action plan for nutrient removal.

Other Operational Expenditures: The Town continues to make strides in the use of technology for improved customer service and public access to Town government information. During the last year, we have improved the Council Chamber with video presentation screens, initiated electronic agenda packets, and increased the use of mobile devices by Council, appointed officials and staff.

This proposed General Fund budget includes funds to implement the following new technology initiatives:

- Police Computer Equipment & Software – Portable parking ticket writer (\$15,000) to photograph, time stamp, print tickets and connect in real-time to database and online payment systems. This replaces the need to physically chalk tires and reduces the “back-end” time and effort to verify scofflaws, process tickets, payments and follow-up on delinquent charges which were previously performed with manual processes.
- Planning Maintenance Contracts - \$50,000 to fully integrate our GIS with Fauquier County GIS and its superior information layers and applications. This will enable our Inspectors to immediately access approved plans and permits on-site.
- Planning Professional Services - \$75,000 for digitization of building and land development files. Replacing paper copies with electronic files will not only free up valuable storage space, it will facilitate access to public documents for staff and citizens.

Other key operational expenditures proposed in the General Fund include:

- Contribution to WVFC – The Fire Department requested an increase of \$50,000 for operational funding to \$150,000. Correspondingly, the WVFC did not request funding this year for apparatus or other capital equipment, as they have over the past two fiscal years.
- Planning - Comprehensive Plan Update – \$170,000. The Town took advantage of grants and in-kind support to complete the walkability audit, trails plan update, complete streets plan and urban development area designation in FY17, but the selection process for

general consultant was delayed to the end of the fiscal year. Most of this work and incurred expense will therefore occur in FY18.

- Public Works General Properties - \$25,000 for one year rent plus one-time start-up costs for network and telephone connectivity and furnishing space for the Economic Development Manager and to expand the space needed for Planning and Utilities staff in Town Hall.

Capital Improvements: The proposed budget includes a transfer of \$1,459,661 from the General Fund to the CIP Fund for capital projects. This is an increase of \$583,508 over the amended FY17 Capital Budget.

This is an ambitious capital program year for the General Fund, which is consistent with Council's priority to invest in Infrastructure. It is funded primarily from unassigned fund balance and \$71,500 in VDOT Revenue Sharing funds. The total Capital Budget of \$1,531,161 includes:

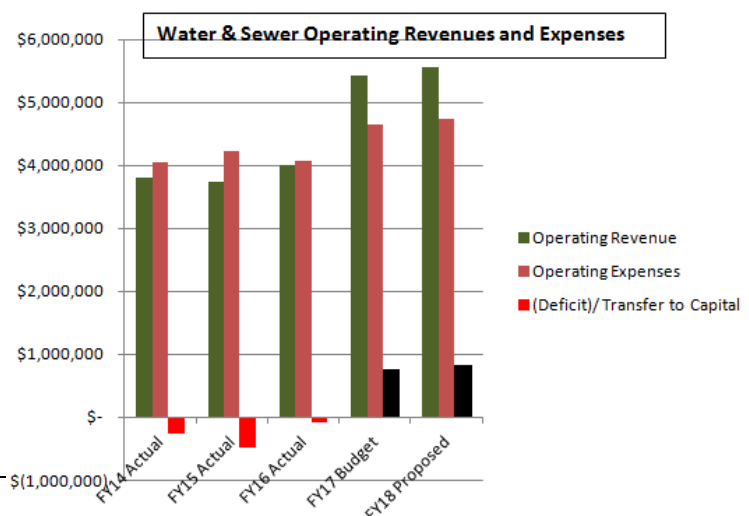
- \$75,000 for permit tracking software to replace the existing out-of-date, unsupported software in Inspections
- \$641,770 for replacement Police and Public Works Department vehicles and equipment; Parks & recreation equipment; and public safety radio system upgrades
- \$814,391 for traffic signal improvements at the Blackwell/Lee Hwy. intersection; sidewalk projects at Franklin Street and at Gold Cup Drive; park improvements at Rady park and Eva Walker Park, roof and facility repairs at the WARF

Water & Sewer Operating Fund

Total Water & Sewer Operating Fund Budget totals \$5,562,138, which is an increase of 2.6% or \$140,466 over FY17.

Revenues

As a result of the rate increases implemented in FY16 and FY17, there is no longer a need to budget the use of reserves for operating costs. In FY17, operating revenues began to cover current operations as well as provide an ongoing portion of capital projects funding. The FY18 Budget includes a rate increase as recommended by the 2015 Water & Sewer Rate Study to ensure that this trend continues.



Based on the recommend rate increase, the monthly bill for an average residential user of 5,000 gallons/month will increase \$1.51 (a 2.71% increase). For the minimum residential consumer (up to 2,000 gallons/month), the monthly bill will increase by 16¢, or 0.93%.

Water and sewer consumption charges total \$5,348,138 and account for 96.2% of all FY18 Operating Fund revenue. The remainder of operating revenue is collected in permit charges, installation fees and miscellaneous revenue.

Expenses

There are six categories of water and sewer operating expenses: meter reading, water treatment, water and wastewater distribution and collection lines, wastewater treatment, debt service and administration. These total \$5,562,138, which is a 2.6% increase over FY17 operating expenses.

Water & Sewer Capital Fund

The proposed FY18 Water & Sewer Capital Fund totals \$4,790,000.

Revenue

Capital Fund Revenue for FY18 comes primarily from three sources: Connection Fees (\$850,000), debt proceeds (\$3,103,667) and transfer from the Water & Sewer Operating Fund (\$824,176).

Capital Improvements

Water and Sewer Capital Improvements in FY18 are accounted for in a separate Capital Fund. This accounting keeps the revenue from availability fees and bond proceeds separate from operating revenue. Much of this capital program will be financed, as noted above, from the proceeds of the June 2016 borrowing, which took advantage of low fixed borrowing rates and spread out the capital costs for ratepayers to the life of the improvements.

Consistent with Council's priority on Infrastructure, the proposed Capital Budget builds on the momentum begun last year to optimize system capacity with three major projects: construction of a new chemical feed building and equipment at the Water Treatment Plant, I&I abatement to regain wastewater treatment capacity, and replacement of the rotating biological contactors (RBC) equipment with more efficient Moving Bed Biological Reactor (MMBR) equipment at the Wastewater Treatment Plant.

The following is the complete list of FY18 capital projects and equipment, which are funded with a combination of cash and debt proceeds:

- \$850,000 Water Treatment Plant Upgrade – new chemical building
- \$800,000 Inflow & Infiltration abatement
- \$3,000,000 WWTP Upgrades – RBC Replacement
- \$25,000 Trailer-mounted emergency generator (50%)
- \$28,000 WTP vehicle replacement
- \$33,000 Transmission & Distribution vehicle replacement
- \$54,000 Equipment shed for flusher truck & trailers

Motor Pool Fund

This is an Internal Service Fund for which costs of all departmental vehicle maintenance is allocated to the General Fund and Water & Sewer Operating Fund. The FY18 Revenue from these allocations totals \$473,307, which is decrease of 0.8% from FY17.

Information Technology Fund

This is also an Internal Service Fund for which costs of all departmental computer hardware and software maintenance and purchases is allocated to the General Fund and Water & Sewer Operating Fund. The FY18 Revenue from these allocations totals \$367,970, which is an increase of 2.2% from FY17. The cost of contract IT support will decrease by \$40,000 in FY18 with the change in service provider; however there is a corresponding increase in the purchase of upgraded computer equipment, resulting in a total increase of 2.2% or \$7,941 over FY17.

SUMMARY

The Budget is intended to be a policy document, financial plan and operations guide for the upcoming fiscal year. It provides the resources for the Town to accomplish its mission while adhering to a strong tradition of conservative fiscal management.

The recommended budget is the product of many hours of planning by our Management Team, including Community Development Director Brandie Schaeffer, Parks & Recreation Director Margaret Rice, Economic Development Manager Heather Stinson, Police Chief Lou Battle, Fire Chief Jason Golden and Public Works & Utilities Director Bo Tucker. I am especially thankful for the effort and expertise of Stephanie Miller, Director of Finance and Personnel, and all of her Finance Team, without whom this document or its implementation throughout the year would not be possible.

This is the Town Manager's *recommended* FY18 Budget – there is still work to be done before it is truly a policy document adopted by Town Council. The Town staff and I look forward to working with you in the coming weeks to shape it into its final form.

COMBINED BUDGET SUMMARY

The following provides a summary of the Proposed Budget for Fiscal Year 2017-2018 across all appropriated funds compared to the Amended Budget for Fiscal Year 2016-2017. Greater detail is provided for the General Fund, followed by summary totals for the other funds. Transfers between funds are deducted in order to show the total estimated revenues and appropriations. Revenues and Sources of Funds are shown on this page and Expenditures and Uses of Funds are shown on the next page. The total increase compared to the current year amended budget is \$2,620,474, or 11.7%.

TOTAL ESTIMATED REVENUES – ALL FUNDS

<u>Revenues / Sources</u>	<u>FY 2017</u>		<u>FY 2018</u>		<u>FY 2017-2018</u>	
	<u>Amended</u>		<u>Proposed</u>	<u>Adopted</u>	<u>Change</u>	
					<u>(\$)</u>	<u>(%)</u>
<u>General Fund</u>						
General Property Taxes	\$ 1,229,450	\$	1,279,339	\$	\$ 49,889	4.1
Other Local Taxes	6,381,063		6,882,677		501,614	7.9
Permits & Fees	187,100		191,100		4,000	2.1
Fines & Forfeitures	180,000		210,000		30,000	16.7
Use of Money/Property	22,500		58,500		36,000	160.0
Charges for Services	1,286,588		1,344,872		58,284	4.5
Miscellaneous Revenue	180,650		188,400		7,750	4.3
State Revenue	2,982,642		2,932,802		(49,840)	-1.7
Federal Revenue	335,882		4,500		(331,382)	-98.7
Transfers/Proffers	0		12,000		12,000	0
Use of Fund Balance	918,604		1,449,750		531,146	57.8
General Fund Total	\$ 13,704,479	\$	14,553,940	\$	\$ 849,461	6.2
<u>Other Funds</u>						
Capital Projects	\$ 1,492,313	\$	1,531,161	\$	\$ 38,848	2.6
Water & Sewer Operating	5,421,672		5,562,138		140,466	2.6
Water & Sewer Capital	2,631,894		4,790,000		2,158,106	82.0
Motor Pool	477,403		473,307		(4,096)	-0.9
Information Technology	360,029		367,970		7,941	2.2
Total All Funds	\$ 24,087,790	\$	27,278,516	\$	\$ 3,190,726	13.2
Less Transfers	(1,713,585)		(3,125,114)		(1,411,529)	82.4
Total Estimated Revenues	\$ 22,374,205	\$	24,153,402	\$	\$ 1,779,198	8.0

TOTAL APPROPRIATIONS – ALL FUNDS

<u>Expenditures / Uses</u>	FY 2017		FY 2018		FY 2017-18	
	<u>Amended</u>		<u>Proposed</u>	<u>Adopted</u>	<u>Change</u>	
					<u>(\$)</u>	<u>(%)</u>
<u>General Fund</u>						
General Government	\$ 1,104,892	\$	1,226,253	\$	\$ 121,361	11.0
Public Safety	3,435,342		3,692,447		257,105	7.5
Public Works	4,086,464		3,558,619		(527,845)	-12.9
Parks & Recreation	2,043,252		2,189,015		145,763	7.1
Community Development	1,252,054		1,538,455		286,401	22.9
Contributions	183,937		165,892		(18,045)	-9.8
Debt Service	636,590		633,598		(2,992)	-0.5
Transfers	876,153		1,459,661		583,508	66.6
General Fund Total	\$ 13,704,479		14,553,940		849,461	6.2
<u>Other Funds</u>						
Capital Projects	\$ 1,492,313	\$	1,531,161	\$	\$ 38,848	2.6
Water & Sewer Operating	5,421,672		5,562,138		140,466	2.6
Water & Sewer Capital	2,631,894		4,790,000		2,158,106	82.0
Motor Pool	477,403		473,307		(4,096)	-0.9
Information Technology	360,029		367,970		7,941	2.2
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Less Transfers	(1,713,585)		(3,125,114)		(1,411,529)	82.4
Total Appropriations	\$ 22,374,205	\$	24,153,402	\$	\$ 1,779,197	8.0

BUDGET PROCESS

Fiscal Year 2018 Budget Calendar

DATE	ITEM
OCTOBER 2016	Package of budgetary instructions delivered to Town Departments and Outside Agencies
DECEMBER 31, 2016	Funding requests submitted to Finance Department
JANUARY 2017	Draft proposed budget compiled by Finance and submitted to the Town Manager
FEBRUARY - MARCH 2017	Town Manager's review of draft budgets, studies and reports and preparation of the Proposed Budget
FEBRUARY 28, 2017	Planning Commission Work Session Public Hearing to review the Draft 2018-2023 Capital Improvement Plan for consistency with the Comprehensive Plan
MARCH 21, 2017	Planning Commission Public Hearing – Draft 2018-2023 Capital Improvement Plan
MARCH 31, 2017	Delivery of the Proposed Budget to Council
APRIL – MAY 2017	Work Sessions and Special Meetings held to review the Proposed Budget
MAY 9, 2017	Public Hearing on FY 2018 Proposed Budget
JUNE 13, 2017	Adoption of the FY 2018 Budget
JULY 1, 2017	Beginning of Fiscal Year 2018

Basis of Accounting and Budgeting

According to the Code of Virginia, the Town is required to have a balanced budget and undergo an annual financial audit by an independent certified public accountant. A balanced budget is one in which all proposed expenditures and other financial uses are fully funded by projected revenues and other financing sources.

The Commonwealth of Virginia requires that the town 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. The fund structure and use section provides further detail on this topic.

Accounting Basis

Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts, which comprise assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate.

Governmental funds, which include the general fund, capital projects funds, special revenue funds and permanent funds, are accounted for on the modified accrual basis of accounting. Revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred or expended.

The basis of accounting and the basis of budgeting is the same for governmental funds. Proprietary and fiduciary funds use the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. In addition, capital purchases are budgeted while depreciation expenses are not budgeted.

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 basic government-wide financial statements. These two government-wide statements are the statement of net assets and the statement of activities.

Budgetary Basis

Annual budgets spanning the fiscal year (July 1 – June 30) are prepared on a basis consistent with generally accepted accounting principles. For proprietary funds, depreciation expenses are not budgeted, but are recorded and reported for financial purposes. 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 department level. The Town Manager is delegated the authority to approve transfers between departments and agencies as long as aggregated 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. All appropriations lapse at the end of the fiscal year. Unfinished projects are subject to review and re-appropriation by the Town Council.

Mission Statement, Action and Values Statement

On August 9, 2016, the Town Council adopted the following Mission Statement and Action and 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.

Action and 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 team work we can maintain an environment in which we can maximize our potential.



SUMMARY OF DIFFERENCES BETWEEN PROPOSED BUDGET AND ADOPTED BUDGET

This page will reconcile the proposed budget document to the adopted budget by summarizing changes made during Council Budget Work Sessions to be conducted during April and May 2017.

Key changes made to the budget include:

DRAFT

Section II. Background Information



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 2013 was 9,862 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, and by 1790 the first courthouse was built, a jail was erected 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 or two 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 courthouses in Warrenton, the Fauquier County seat. Since 1795, four have stood on the same site on Main Street as the existing Old Courthouse built in 1890. 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 is comprised of a Mayor, one member from each of the Town's five Wards, and two 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 Recorder.

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.

DRAFT

PRINCIPAL OFFICIALS

~ ELECTED OFFICIALS ~

Town Council

Powell Duggan, Mayor

Linda “Sunny” Reynolds, Vice Mayor, At Large

Sean Polster, At Large

Jerry Wood, Ward 1

Alec P. Burnett, Ward 2

Brett A. Hamby, Ward 3

Bob Kravetz, Ward 4

Kevin T. Carter, Ward 5

~ APPOINTED OFFICIALS ~

Town Manager

Brannon Godfrey

Town Attorney

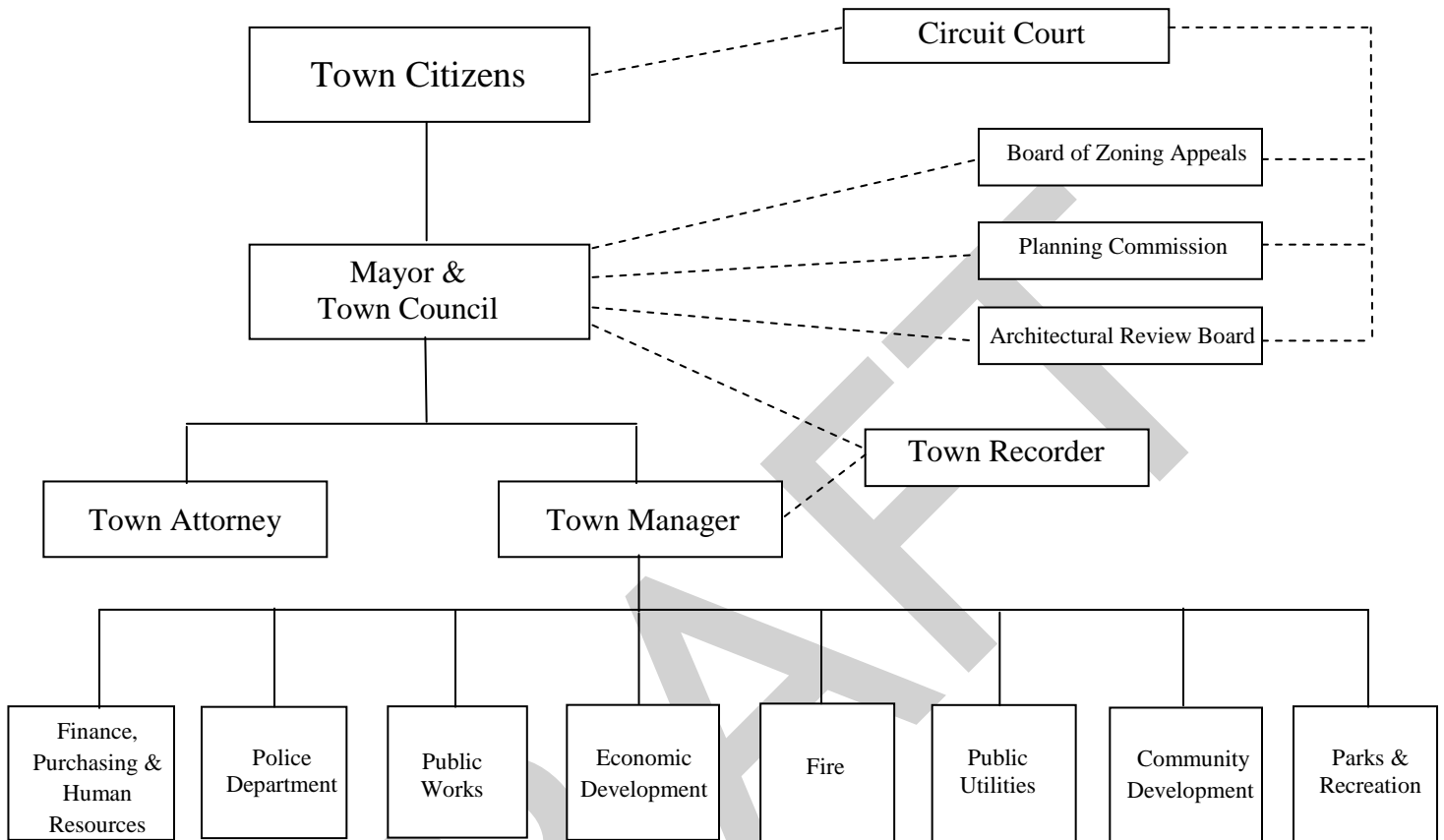
Whitson W. Robinson

Town Recorder

Evelyn Weimer

The map displays the five wards of the City of St. John's, New Brunswick, each identified by a number and a color. Ward 1 (blue) is located in the northern part of the city. Ward 2 (green) is in the southeast. Ward 3 (yellow) is in the southern part. Ward 4 (pink) is in the western part. Ward 5 (orange) is in the central part of the city. The map shows a dense network of streets, including major roads like Route 104 and Route 102. Key landmarks such as Walmart and Home Depot are marked. A legend indicates that pink areas represent 'Recreation Property'.

ORGANIZATIONAL CHART



FUND STRUCTURE & USES

The Town of Warrenton's financial system is organized into funds. These funds can be broken down into two major types: governmental and proprietary funds

GOVERNMENTAL FUNDS

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

General Fund

This is the government's primary operating fund. This fund accounts for all tax revenues and expenditures such as general government administration, public safety, public works, planning and community development, and parks and recreation.

Capital Projects Fund

This fund accounts for capital outlay and capital projects approved as part of the Town's Capital Improvement Plan (CIP). The threshold for items included in the current CIP is \$10,000. The CIP process is described in more detail in the program description for the Capital Projects Fund.

Perpetual Care Fund

This fund accounts for assets restricted for care of the Warrenton Cemetery.

PROPRIETARY FUNDS

There are two types of proprietary funds: enterprise funds and internal service funds. These funds use the accrual basis of accounting, similar to private sector businesses. Enterprise funds account for the delivery of goods and services to the public. Internal Service funds account for the delivery of goods and services from one Town department to others on a cost reimbursement basis. The Town has two enterprise funds and two internal service funds, described below.

Enterprise Funds

Water & Sewer Operating Fund - accounts for all revenues and expenses related to water production, distribution and sewage treatment. This is a new fund for FY 2017. Previously, operating and capital were combined in one fund.

Water & Sewer Capital Fund - accounts for all capital outlay and improvements for the water and sewer utility function. This is a new fund for FY 2017. Previously, operating and capital were combined in one fund.

Internal Service Funds

Motor Pool - accounts for all expenditures for repair and maintenance of Town vehicles and motorized equipment.

Information Technology - accounts for all expenditures related to information technology needs of Town departments.

Note: The Capital Projects Fund and the two Internal Service Funds are combined with the General Fund for purposes of financial reporting in the Comprehensive Annual Financial Report.



Section III.

Budget By Fund

GENERAL FUND

Where It Comes From . . .



. . . Where It Goes



GENERAL FUND

Fund Overview

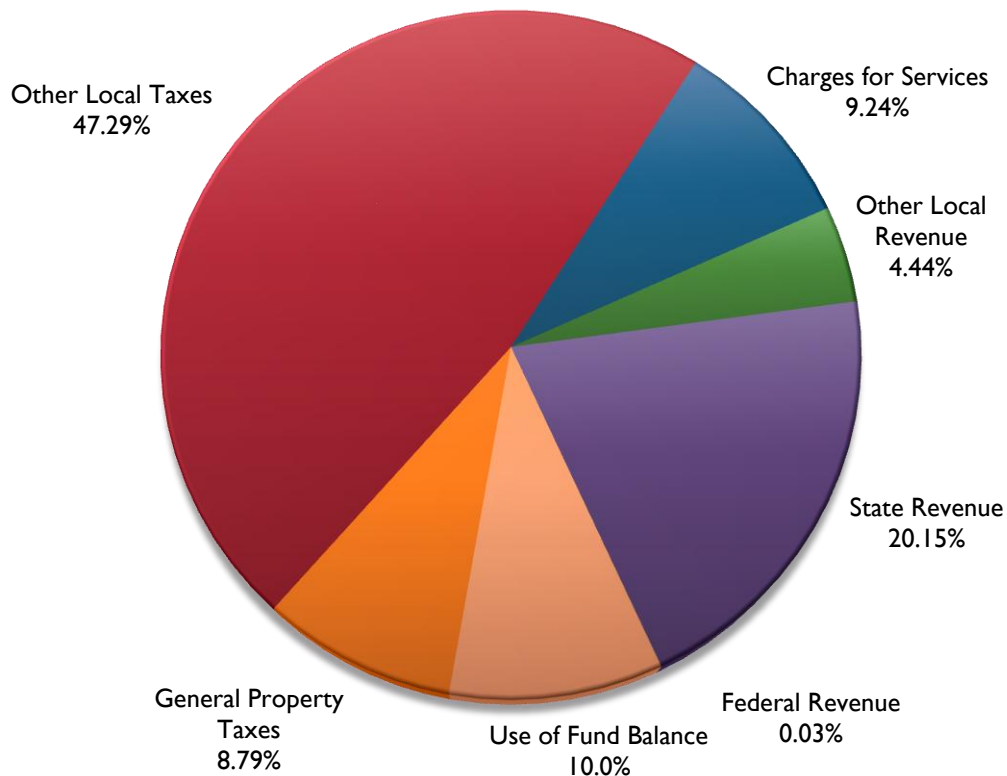
The Town's General Fund serves as the chief operating account for the Town government. All tax revenues and revenues not required to be reported in another fund are accounted for here. Functional expenditures accounted for in the General Fund include general government administration, public safety,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

	FY 2017		FY 2018	
<u>REVENUE</u>	<u>Adopted</u>		<u>Proposed</u>	<u>Increase / (Decrease)</u>
General Property Taxes	\$ 1,229,450	\$	1,279,339	\$ 49,889
Other Local Taxes	6,381,063		6,882,677	501,614
Licenses, Permits & Fees	187,100		191,100	4,000
Fines & Forfeitures	180,000		210,000	30,000
Revenue from Use of Money/Property	22,500		58,500	36,000
Charges for Services	1,286,588		1,344,872	58,284
Miscellaneous Revenue	165,100		188,400	23,300
Non-Categorical Aid	680,100		630,060	(50,040)
Categorical Aid	2,302,542		2,302,742	200
Revenue from Federal Government	24,000		4,500	(19,500)
Transfers/Proffers	0		12,000	12,000
Use of Fund Balance	415,575		1,449,750	1,034,175
Total General Fund Revenue	\$ 12,874,018	\$	14,553,940	\$ 1,679,922
<u>EXPENDITURES</u>				
General Government	\$ 1,082,778	\$	1,226,253	143,475
Public Safety	3,435,342		3,692,447	257,105
Public Works	3,381,295		3,558,619	177,324
Parks and Recreation	2,025,869		2,189,015	163,146
Community Development	1,252,054		1,538,455	286,401
Contributions to outside agencies	183,937		165,892	(18,045)
Debt Service	636,590		633,598	(2,992)
Subtotal	\$ 11,997,865	\$	13,094,279	\$ 1,096,414
Transfer to Capital Projects Fund	876,153		1,459,661	583,508
Total General Fund Expenditures	\$ 12,874,018	\$	14,553,940	\$ 1,679,922

General Fund Revenues

The FY 2018 Proposed General Fund Budget includes \$13,092,190 in current year revenue, an increase of \$633,747, or 5.1%, over the FY 2017 Adopted Budget. The largest increase is in Other Local Taxes, which is projected to be \$501,614 greater than in FY 2017. Other Local Taxes represents the largest source of revenue for the General Fund at 47.29%. This category includes Meals Tax, Sales Tax, Business, Professional and Occupational License (BPOL) Tax, Lodging Tax, Cigarette Tax, Bank Franchise Tax, Vehicle License Tax and Consumer Utility Tax. Additionally, the proposed budget includes the use of \$1,449,750 of fund balance. This is an increase of \$1,034,175, or 248.9%, from the prior year adopted budget. It is important to note that fund balance is used exclusively to fund capital projects. The proposed budget also utilizes \$12,000 in transfers and proffers to fund capital improvements. Total Revenue of \$14,553,940 for the General Fund represents an increase of \$1,679,922 compared to the FY 2017 Adopted Budget. The following chart shows the percentage of General Fund Revenue by source.

FY 2018 General Fund Revenues by Source \$14,553,940



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

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Local Revenue					
General Property Taxes	\$675,312	\$677,082	\$1,229,450	\$1,279,339	\$49,889
Other Local Taxes	6,134,279	6,513,880	6,381,063	6,882,677	501,614
Permits & Other Licenses	202,676	177,739	187,100	191,100	4,000
Fines & Forfeitures	185,186	128,499	180,000	210,000	30,000
Use of Money & Property	20,767	44,612	22,500	58,500	36,000
Charges for Services	0	1,137,893	1,286,588	1,344,872	58,284
Miscellaneous	<u>107,919</u>	<u>203,224</u>	<u>165,100</u>	<u>188,400</u>	<u>23,300</u>
Total Local Revenue	\$7,326,139	\$8,882,929	\$9,451,801	\$10,154,888	\$703,087
State Revenue	\$2,991,187	\$2,945,540	\$2,982,642	\$2,932,802	(\$49,840)
Federal Revenue	<u>1,989</u>	<u>91,214</u>	<u>24,000</u>	<u>4,500</u>	<u>(19,500)</u>
Total State & Federal Revenue	\$2,993,176	\$3,036,754	\$3,006,642	\$2,937,302	(\$69,340)
Subtotal - Current Revenue	\$10,319,315	\$11,919,683	\$12,458,443	\$13,092,190	\$633,747
Transfers	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,000</u>	<u>\$7,000</u>
Use of Proffers	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>5,000</u>
Use of Fund Balance	<u>0</u>	<u>212,803</u>	<u>415,575</u>	<u>1,449,750</u>	<u>1,034,175</u>
Total General Fund Revenue	\$10,319,315	\$12,132,486	\$12,874,018	\$14,553,940	\$1,679,922

General Property Taxes

General property taxes are estimated to be \$1,279,339 and account for 8.79% of general fund revenue in FY 2018. The County Commissioner of the Revenue serves as the assessor for parcels located in the Town. Town real property taxes are billed in two installments each year – the first half is due June 15 and the second half is due December 15. The County conducts a general real estate reassessment every four years. The values for the next reassessment will be effective January 1, 2018. In projecting real estate property tax revenues, the Town relies on assessed value projections prepared by Fauquier County that uses the following factors in determining property values:

- previous year's tax base
- cumulative values of all property reassessed during the year
- estimates of new construction
- estimates of building renovations, additions, etc.

In projecting personal property tax revenues, the Town adds prior years' total assessments and factors in current year estimates based upon historical trends. 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.

Fiscal Year 2018 Proposed Property Tax Rates

Property Category	Tax Rate (per \$100 assessed valuation)	Assessment Ratio
Real Estate	\$0.05	100%
Mobile Homes	\$0.00	100%
Tangible Personal Property – General	\$1.00	100%
Tangible Personal Property – Handicapped	\$0.00	100%
Motor Homes, Campers and Boats	\$0.00	100%
Machinery and Tools	\$1.00	100%
Business Personal Property & Computers	\$1.00	100%

Other Local Taxes

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

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Local Sales Taxes	\$595,653	\$673,700	\$686,000	\$724,200	\$38,200
Consumer Utility Taxes	498,312	512,780	503,000	517,400	14,400
BPOL	1,657,723	1,851,068	1,768,663	1,910,800	142,137
Utility Consumption Taxes	72,151	72,939	71,600	76,700	5,100
Motor Vehicle Licenses	102,856	95,652	5,000	166,667	161,667
Bank Franchise Taxes	581,150	521,997	550,000	520,000	(30,000)
Meals Taxes	2,265,639	2,383,066	2,422,000	2,568,410	146,410
Cigarette Taxes	170,790	164,260	171,000	160,000	(11,000)
Transient Occupancy Taxes	190,005	238,418	203,800	238,500	34,700
Total Other Local Taxes	\$6,134,279	\$6,513,880	\$6,381,063	\$6,882,677	\$501,614

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 collections 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 prior year's receipts and historical trends. We are projecting steady increases in revenue based on collection trends for the past twelve months. Estimated to total

\$724,200 in FY 2018, local sales tax revenue accounts for 5.0% of the Town's General Fund budget.

Consumer Utility Taxes - The Town levies a consumer utility tax on residential and commercial electric and natural gas utilities. The revenue estimate of \$517,400 is based on prior year's revenues. Consumer utility taxes are a consistent source of revenue for the Town and represent 3.6% of General Fund revenues. 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.

Business, Professional and Occupational 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. There is no proposed change in the rates included in the budget.

Business Category	Rate/\$100 Gross Receipts	Maximum Allowed
Business, personal & repair services	18.70¢	36.00¢
Contractors	8.50¢	16.00¢
Professional, financial & real estate services	29.75¢	58.00¢
Retail	10.00¢	20.00¢
Wholesale	4.25¢	5.00¢

At \$1,910,800 projected revenue for FY 2018, this is the second largest local revenue source for the General Fund and represents 13.1% of total revenue.

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 state components and one local component. Revenue in this category has been fairly level through the years. Estimated to be \$76,700 for FY 2018, it represents 0.5% of the General Fund budget. The local tax rate structure is shown in the following table.

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

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 will be included on personal property tax bills, due December 15th. As a result, a very small amount of decal revenue was budgeted for FY 2017. As part of the shift to implementing the vehicle license fee, the Town Council will increase the fee from \$15 to \$25 for cars and trucks (\$10 to \$20 for motorcycles). The \$161,667 increase in revenue in this category is due to the shift in timing of the collection of the fee and the increase in the amount charged. This category represents 1.1% of General Fund revenue.

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 Town's current rate is 80¢ per \$100 of net capital. Revenue in this category dropped during FY 2016. The projection for the FY 2018 budget (\$520,000) has been brought in line with the actual receipts for FY 2016, and accounts for 3.6% of General Fund revenue.

Meals Tax - The Town levies a 4% local tax on meals as defined by the model meals tax ordinance adopted in 2000. It is a significant source of revenue, representing 17.6% of the General Fund budget, and is largely dependent on the regional travel and tourism economy and the quality and quantity of available establishments within the Town limits. For FY 2018, the estimated amount is \$2,568,410. Collected for the first time in FY 1987, meals tax revenues have been fairly consistent, showing a direct relation to the general economic climate. The budget assumes a 6.0% increase compared to the FY 2017 Adopted Budget.

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 remains at 7.5 mills (.0075¢) per cigarette, or 15¢ per packet. First levied in FY 1992, this revenue stream has reflected decreases in recent years, most likely for health reasons. This tax accounts for 1.1% of the adopted General Fund revenue budget.

Transient Occupancy Tax – The Town levies a 4% tax on hotel and motel room rentals within the Town. Transient occupancy tax collections increased during FY 2016 and are projected to remain level. 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. Transient occupancy tax is estimated to be \$238,500 in FY 2018 and accounts for 1.6% of total General Fund revenue.

Permits, Fees & Licenses

This revenue source consists primarily of user and permit fees for building or planning related items. The Community Development staff has recently reviewed the fee structure in comparison to other jurisdictions and has proposed modest increases in zoning fees. Total revenues in this category have been adjusted according to estimates of zoning and building activity, reflecting a \$4,000 increase over the FY 2017 adopted budget. At \$191,100, this category represents 1.3% of the General Fund budget. User fees associated with the Town's Municipal Cemetery are also included in this revenue category.

Fines & Forfeitures

Revenue in this category is estimated to be \$210,000 for FY 2018 and represents 1.4% 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. Parking Fines are those assessed by the Town Police Department and collected by the Town. With the restoration of a part-time Parking Enforcement Officer position, parking fine revenue has been increased to \$40,000, an increase of \$15,000 over the FY 2017 adopted budget. The estimated revenue from Court Fines and Forfeitures has also been increased by \$15,000 to \$160,000.

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 on a monthly basis. The annual revenue estimate for this fee is \$10,000.

Use of Money & Property

Interest and investment revenue fluctuates with the general economy and the level of the Town's cash balance. 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 during FY 2017. The \$36,000 increase in this line reflects recent increases in interest rates, changes in investment options, and increases in rental income due to rate renewals. This category represents 0.4% of General Fund revenue.

Charges for Services

Revenue in this category includes rentals of pavilions and fields at various parks, and membership and other fees for the use of the Warrenton Aquatic and Recreation Facility (WARF). A five percent increase in membership rates for the WARF is programmed. Overall revenue for the WARF is projected to be \$1,344,872, which is \$58,284 more than the estimate for FY 2017. This category represents 9.2% of General Fund revenue for FY 2018.

Miscellaneous Revenue

The primary sources of revenue in this category are WARF Sponsorships, estimated to be \$75,000, and an annual contribution for the support of the Warrenton Fauquier Visitor's Center by Fauquier County (\$42,600). Additionally, this revenue category includes the sale of surplus property, recycling income, recovered costs, and revenue from sale of plastic trashcan liners. The

sale of cemetery lots and proffers for traffic control, recreation, fire, and rescue are also accounted for in this category. A portion of the proposed increase (\$20,000) accounts for the intent to recover advertising and mailing costs associated with rezoning from developers. Other revenue estimates are based on historical data. At \$188,400, this category represents approximately 1.3% of total General Fund revenue estimate for FY 2018.

State Revenue

Non-Categorical Aid - Receipts from the Commonwealth not earmarked for a particular program are included in this category. For the Town, this category includes Motor Vehicle Rental Tax, Rolling Stock Tax, and Communications Sales Tax. 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. Non-categorical aid represents 4.3% of the General Fund budget and is shown by category below.

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Motor Vehicle Rental Tax	\$106,003	\$103,115	\$90,000	\$105,000	\$15,000
Rolling Stock Tax	50	52	100	60	(40)
Communications Sales Tax	583,021	521,282	590,000	525,000	(65,000)
Total Non-Categorical Aid	\$689,074	\$624,449	\$680,100	\$630,060	(\$50,040)

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 with the exception of street and highway maintenance, which is based on an actual per mile reimbursement rate for Town maintained arterial and collector streets and will remain level for FY 2018. The Town anticipates other Categorical items to remain fairly level compared to FY 2017. VDOT Revenue Sharing is reported in the Capital Projects Fund to more accurately match revenues with related expenditures. The table on page 35 provides a summary of Categorical Aid, which accounts for 15.8% of the General Fund budget.

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
VDOT Street & Highway Maintenance	\$1,313,625	\$1,366,068	\$1,346,679	\$1,346,679	0
PPTRA Revenue	718,492	718,492	718,492	718,492	0
VDOP Aid to Localities	59,314	30,461	25,000	25,000	0
DCJP Section 599 Funds	197,512	197,512	203,871	203,871	0
Local Law Block Grant	3,325	0	0	0	0
VCA Local Government Challenge Grant	5,000	5,000	5,000	5,000	0
Litter Control Grant	3,654	3,695	3,500	3,700	200
State Asset Forfeiture Proceeds	1,191	0	0	0	0
Total Categorical Aid	\$2,302,113	\$2,321,091	\$2,302,542	\$2,302,742	\$200

Federal Revenue

DMV Safety Grant - The National Highway Safety Act of 1966 provided for federal grants to states to support coordinated national highway safety programs. These grants are designed to reduce the number of fatalities, injuries and related economic losses resulting from traffic crashes on Virginia's roadways. Revenue for this category is expected to remain at \$2,500 for the FY 2018 fiscal year.

U.S. Department of Justice – The Town has participated in the Internet Crimes Against Children Task Force for the past several years, and will continue this effort. The annual grant amount is \$2,000.

Non-Revenue Receipts

Transfer from Perpetual Care Fund – Interest earnings in the Perpetual Care Fund may be used to maintain the Warrenton Cemetery. The interior roads of the cemetery need to be resurfaced. The FY 2018 proposed budget includes \$7,000 in material necessary to accomplish this resurfacing. Since 2002, the Perpetual Care Fund has earned \$112,132 in interest, which has not been used to this point. The proposed budget includes a \$7,000 transfer from the Perpetual Care Fund to the General Fund to support the resurfacing effort.

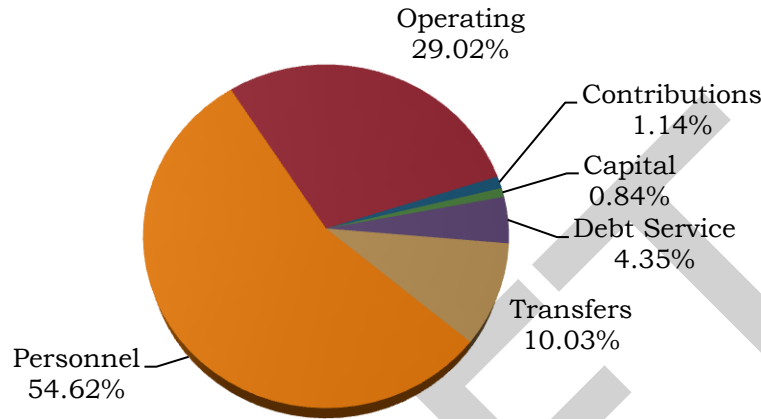
Use of Proffers – The proposed budget for FY 2018 includes the installation of a water fountain at Academy Hill Park. Cannon Properties proffered funds for Academy Hill Park as part of the approval of The Ridges at Warrenton development. The fountain is estimated to cost \$5,000 and will be covered by the proffered funds.

Use of Fund Balance - The proposed FY 2018 includes the use of fund balance in the amount of \$1,449,750 to balance the FY 2018 budget for the General Fund. This represents 10.0% of the total for the General Fund budget. This entire amount is used to cover the transfer to the capital projects fund in support of projects identified in the Town's 2018 – 2023 Capital Improvement Plan.

General Fund Expenditures

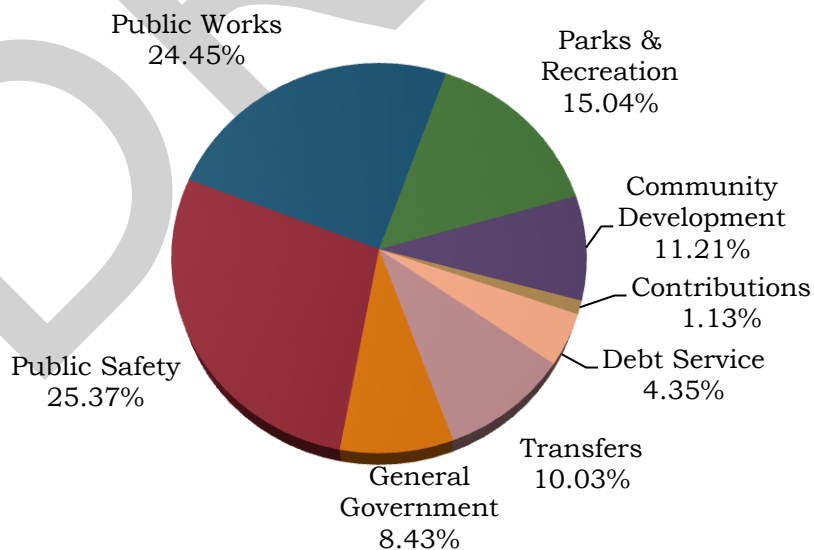
The following chart illustrates general fund expenditures by category.

General Fund Expenditures by Category



The chart below provides an overview of general fund expenditures by functional area. In the budget detail for the general fund that follows, departmental expenditures are grouped by functional area (general government, public safety, public works, community development, contributions, transfers, and debt service). A leading page summarizing the function is followed by detail for the departments within that function.

General Fund Expenditures by Function



GENERAL GOVERNMENT

Function Overview

This functional area accounts for the general administration of Town government. Departments accounted for in this grouping include Legislative (Town Council), Executive (Office of the Town Manager), Legal Services (Town Attorney), the Department of Finance and Human Resources, Other Organizations, and Elections. Funding for these functions in the proposed budget represents \$1,226,253, or 8.42%, of the general fund.

Budget Summary

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Legislative	\$173,824	\$175,889	\$160,122	\$166,188	\$6,066
Executive	196,778	175,340	211,261	268,027	56,766
Legal Services	154,318	155,153	187,376	188,864	1,488
Finance & Human Resources	443,405	459,014	513,979	582,265	68,286
Other Organizations	7,549	8,579	10,040	10,909	869
Elections	0	8,585	0	10,000	10,000
Total	\$975,874	\$982,560	\$1,082,778	\$1,226,253	\$143,475

Greater detail for each of the above departments is provided in the following pages.

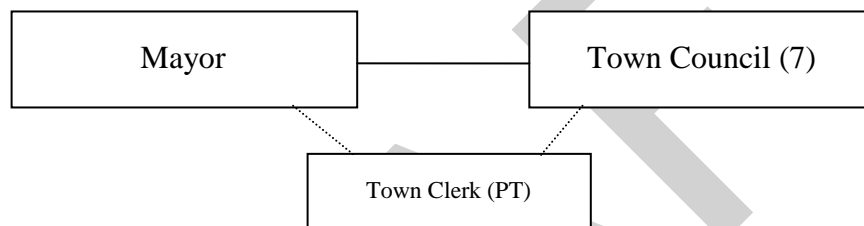
Legislative

Program Description

The Council of the Town of Warrenton consists of seven 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 of Warrenton 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 an appointed Town Clerk, who serves on a part-time basis.

Goals

Key Projects

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$100,065	\$98,324	\$101,941	\$97,553	(\$4,388)
Operating	68,025	68,702	57,681	68,134	10,453
Capital	5,734	8,863	500	500	0
Total	\$173,824	\$175,889	\$160,122	\$166,188	\$6,066
Staffing Summary					
Part-time	0.5	0.5	0.5	0.5	0.0

Budget Request / Analysis

The Council budget includes funds for the Mayor and Council member's salaries and fringe benefits, fifty percent of the part-time position for the Town Clerk/Executive Assistant, 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. This department represents 1.1% of the total general fund budget.

The total proposed budget for Town Council is \$166,188, an increase of \$6,066 from the prior fiscal year's adopted budget. The reduction of \$4,388 noted for personnel above reflects the impact of health insurance elections for the current Council. The operating category is increased by \$10,453. The largest areas of operating increase are: an increase of \$1,000 to cover advertising expense based on prior year spending; an increase of \$1,250 to cover indexing of minutes based on prior year spending; an increase of \$2,600 for communication expense to account for Council member cell phone service; an increase of \$2,500 to cover travel expenses based on prior year expenditures; and an increase of \$1,500 to cover training expenditures based on current spending.

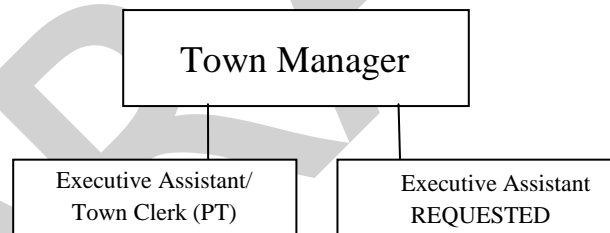
Executive

Program 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 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 him by the council.

Current Staffing



Staffing for this department consists of a full-time Town Manager and a part-time Executive Assistant, who also serves as the Town Clerk.

Goals

- Evaluate and Adjust the Organizational Structure for Improved Customer Service
- Maintain Positive Fiscal Outlook for FY2018
- Complete Strategic Planning Efforts and Begin Implementation of Recommendations
 - Comprehensive Plan Update
 - Parking Study
 - Sign Ordinance Overhaul
 - Historic District Expansion
 - Boundary Adjustment Analysis
 - Monthly Project Status Reporting

- Plan and Implement Capital Improvements to Water & Sewer Treatment System Capacities to Optimize Economic Development
- Improve use of Technology throughout Organization

Key Projects

- Enhanced video recording/live-streaming technology for Council Chambers
- Comprehensive conversion to NovusAgenda for all public meeting packets
- Serve/advise the new Main Street Program – Experience Old Town Warrenton
- Apply for VDOT TAP Grant for Timber Fence Trail construction
- Dog Park at 5th Street Parking Lot
- New maintenance agreement with Warrenton Fields Association
- Design completion and public hearing on Broadview Avenue comprehensive transportation improvements
- Post Office Alley – pedestrian access easement
- Brentmoor/Spilman-Mosby House disposition
- Solar conversion of Town buildings
- Business Assistance Grant Program

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$180,034	\$157,045	\$190,134	\$247,971	\$57,837
Operating	16,744	18,295	21,127	20,056	(1,071)
Capital	0	0	0	0	0
Total	\$196,778	\$175,340	\$211,261	\$268,027	\$56,766
Staffing Summary					
Full-time	1.0	1.0	1.0	2.0	1.0
Part-time	0.5	0.5	0.5	0.5	0.0

Budget Request / Analysis

The FY 2018 proposed budget of \$268,027 reflects an increase of \$56,766. The increase of \$57,837 in the personnel category is for the addition of a full-time Executive Assistant for the Town Manager. In addition to providing full-week coverage of clerical and administrative duties, this position will assist the part-time Town Clerk in records management and preparation of meeting agendas and minutes. The number of official meetings has increased with the committee system, as has the need to ensure the timely posting of agendas and to complete draft minutes more quickly. This position will be allocated 80% to the General Fund and 20% to the Water and Sewer Administration budget in line with the Town Manager's salary allocation. The operating category includes items for office equipment leases, memberships and dues, travel and training, subscriptions and office supplies. This department represents 1.8% of the total General Fund budget.

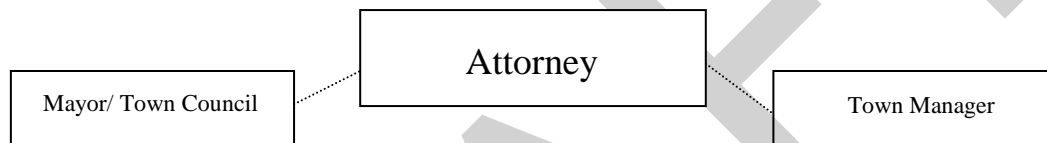
Legal Services

Program 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 an 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.

Contractual professional legal fees are split 75% / 25% between the General Fund and the Water and Sewer Operating fund.



The Legal Services department is staffed by one attorney, on a contractual basis.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$12,197	\$15,056	\$16,477	\$17,165	\$688
Operating	142,121	140,097	170,899	171,699	800
Capital	0	0	0	0	0
Total	\$154,318	\$55,153	\$187,376	\$188,864	\$1,488

Budget Request / Analysis

The budget request for FY 2018 reflects an increase of \$1,488 over the FY 2017 Adopted Budget. The increase of \$688 in the personnel category is due to the increase in the health insurance costs. The Town Attorney is provided an annual stipend of \$2,400 and is eligible for health insurance coverage at employee rates. The \$800 increase in the operating category is due to an increase in expense for subscriptions for legal research. This department represents 1.3% of the total general fund budget.

Finance and Human Resources

Program Description

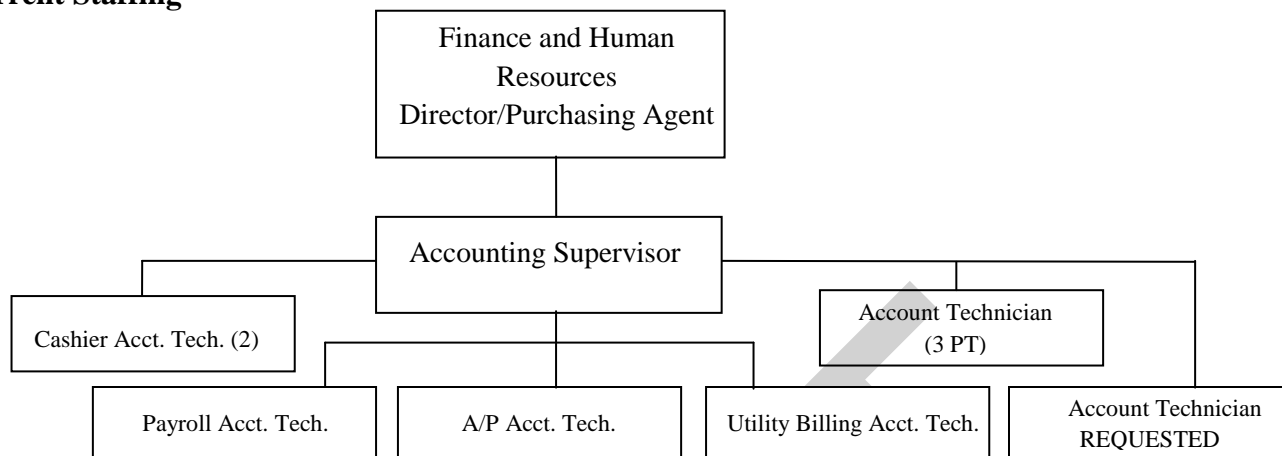
The Department of Finance and Human Resources provides overall management of the Town's financial, treasury, procurement, taxation, risk management, and human resources operations. The staff also serves as the first point of contact with citizens either personally at Town Hall or through the Town's main phone line and website email. Key responsibilities of this program include:

- Tax billing and collection;
- Preparation and collection of utility bills;
- Personnel and benefits administration;
- Cash management and investment of Town funds;
- Debt issuance and management;
- Tracking and reporting of capital assets;
- Accounts payable;
- Payroll;
- Administration of the Warrenton Cemetery records;
- Administration of the information technology function;
- Preparation of the annual budget;
- Coordination of and preparation for the annual external audit;
- Financial reporting;
- Procurement;
- Risk management; and
- Management of all Town financial and human resource records.

The Town's Comprehensive Annual Financial Report (CAFR) has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the last 23 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 CAFRs 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 (SRC) which includes individuals with expertise in public sector financial reporting.

The Director serves as staff support to the Finance Committee, which meets on the third Monday of each month. Monthly information prepared for the Council includes Financial Statements and a summary of bills paid for the preceding month. The Director also serves as the Town's Purchasing Agent.

Current Staffing



The Department of Finance and Human Resources currently has seven full-time employees and three part-time employees.

Goals

- Provide excellent customer service to taxpayers and employees
- Prepare accurate and timely financial transactions and reports
- Effectively and efficiently administer and ensure compliance with the Town's purchasing policy
- Effectively and efficiently administer employee benefits
- Ensure continued receipts of Certificate Achievement for Excellence in Financial Reporting Program for the Town's CAFR

Key Projects

- Formalize and seek Council approval for consolidated set of Financial Management Policies
- Implement a comprehensive business tax auditing program
- Reduce delinquent tax balances
- Continue to document, improve and streamline policies and procedures
- Improve planning and preparation for the annual external audit
- Improve annual budget preparation process, with an ultimate goal of submitting the document to GFOA in the future for the Distinguished Budget Presentation Award

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$350,634	\$366,183	\$385,101	\$451,246	\$66,145
Operating	92,258	91,039	128,378	125,519	(2,859)
Capital	513	1,792	500	5,500	5,000
Total	\$443,405	\$459,014	\$513,979	\$582,265	\$68,286
Staffing Summary					
Full-time	7.0	7.0	7.0	8.0	1.0
Part-time	2.0	2.0	3.0	3.0	0.0

Budget Request / Analysis

The budget request for FY 2018 reflects an increase of \$68,286, or 13.3% over the FY 2017 budget. The \$66,145 increase in personnel expenditures is mostly due to the requested addition of a full-time Accounting Technician (\$58,778 including salary and benefits). The primary duties for this new position would be taxation and delinquent tax collection. It is anticipated that this position will enable the department to enforce more robust tax collection activities that will result in accelerated collection of tax revenues that are already due to the town without increasing taxes or fees. The balance of the increase reflects the cost of increases in health insurance expenditures and merit increases.

Operating expenditures accounted for in this department include the cost of printing and mailing tax bills, business license renewal applications, employee award programs, General Fund costs associated with the external auditor, and General Fund bank service charges. The proposed FY 2018 operating budget reflects a decrease of \$2,859. The Town Council eliminated the motor vehicle decal requirement beginning in calendar year 2017, so the cost associated with the purchase of decals (\$3,000) has been removed from this budget.

The capital category reflects \$500 for furniture and \$5,000 to replace the old dot matrix printers still used by the department. Also to be replaced is an old IBM floor printer.

Other Organizations

Program 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.

The Town is a member of two local Chamber of Commerce groups – the Warrenton Regional Chamber of Commerce (formerly the Greater Warrenton Chamber of Commerce) and the Fauquier Chamber of Commerce.

Budget Summary

Organization	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Virginia Municipal League	\$6,024	\$6,054	\$6,198	\$6,317	\$119
Virginia Institute of Government	500	500	500	500	0
Warrenton Regional Chamber	0	1,000	1,200	1,950	750
Fauquier Chamber of Commerce	1,025	1,025	1,025	1,025	0
National League of Cities	0	0	1,117	1,117	0
Total	\$7,549	\$8,579	\$10,040	\$10,909	\$869

Budget Request / Analysis

Membership dues have increased for only two of the five organizations. Dues for the Virginia Municipal League are based on population information. The dues for VML for FY 2018 have increased by \$119. Continuation of the Champion Level Membership with Warrenton Regional Chamber will be \$1,950, an increase of \$750.

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 years.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$0	\$3,762	\$0	\$4,300	\$4,300
Operating	0	4,823	0	5,700	5,700
Capital	0	0	0	0	0
Total	\$0	\$8,585	\$0	\$10,000	\$10,000

Budget Request / Analysis

Elections will be held in FY 2018 for the Mayor and the two At-large Council Member seats. The proposed budget has been projected based on actual expenditures for the last two elections (FY 2016 - \$8,585 and FY 2014 - \$8,299).

PUBLIC SAFETY

Function Overview

The Public Safety budget includes the Town Police Department and support for the operations of the Warrenton Volunteer Fire Company. The Inspections Department was previously part of the Public Safety function but is now included in Planning & Community Development to align with management responsibility.

Budget Summary

Public Safety represents the largest section of the General Fund budget. Proposed expenditures for this function for FY 2018 total \$3,692,447, and represent 25.4% of the total General Fund budget. The total function shows an increase of \$257,105, or 7.5%, over the FY 2017 Adopted budget.

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Police Department	\$2,620,585	\$2,831,840	\$3,169,992	\$3,378,854	\$208,862
Fire & Rescue	207,999	537,981	265,350	313,593	48,243
	\$2,828,584	\$3,369,821	\$3,435,342	\$3,692,447	\$257,105

Detail for each Department's proposed budget is provided in the following pages.

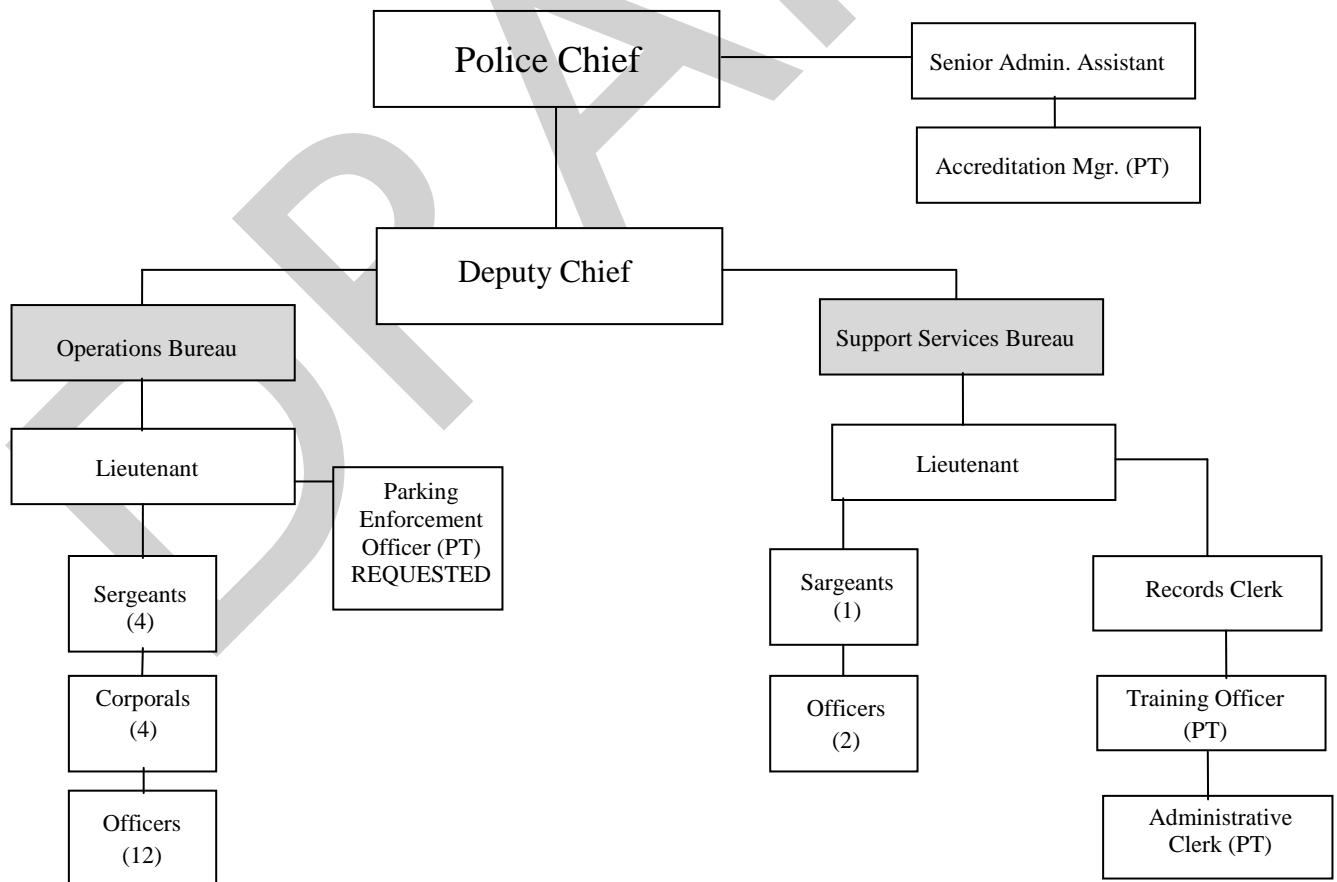
Police Department

Program Description

The Police Department provides law enforcement, public safety services, crime prevention, and Neighborhood Watch. 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 Department has responsibility within the Town's boundaries for enforcing laws of the Commonwealth, parking enforcement, traffic control, community policing, criminal investigations, crime prevention, and other police-related activities. The Department strives to keep pace with current crime trends, crime statistics, demands for service, increased population and community service needs. Two squads work permanent 7 am to 7 pm, and two squads work 7 pm to 7 am.

Current Staffing



The Police Department is staffed by the following full-time personnel: Chief, Deputy Chief, two Lieutenants, five Sergeants, four Corporals, fourteen Officers, a Senior Administrative Assistant and a Records Clerk. Three part-time staff members provide support in the areas of administration, accreditation and training.

Goals

- To provide for the safety of the citizens of the Town of Warrenton
- To enforce the law in a fair and impartial manner
- To facilitate the flow of vehicular and pedestrian traffic in a safe and expeditious manner
- To engage and interact with all sectors of the community and continue to develop innovative strategies to combat the Heroin problem
- To build on and expand our Community Church Coalition and our relationship with the Piedmont Dispute Resolution Center to engage the community in conflict resolution strategies
- To continue to handle calls for service in a timely, courteous and professional manner, as well as provide personal service on all calls
- To utilize technology and Directed Patrols to address crime and traffic issues
- To increase officer safety by keeping shifts staffed adequately and Department fully staffed
- To maintain State Certification for our Officers by conducting our own State mandated training
- To continue to expand the Department's RMS and MDT systems

Key Projects

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$2,123,932	\$2,305,760	\$2,577,968	\$2,776,818	\$198,850
Operating	455,828	470,901	587,524	554,536	(32,988)
Capital	40,825	55,179	4,500	47,500	43,000
Total	\$2,620,585	\$2,831,840	\$3,169,992	\$3,378,854	\$208,862
Staffing Summary					
Full-time	24.0	26.0	29.0	29.0	0.0
Part-time	4.0	3.0	3.0	4.0	1.0

Budget Request / Analysis

The total proposed budget for the Police Department for FY 2018 is \$3,378,854, which is a 6.6% increase over the FY 2017 budget. Personnel changes account for the largest increase in the FY 2018 budget. The proposed budget includes the restoration of a part-time Parking Enforcement Officer (\$30,438 including salary and benefits). During FY 2017, four officers were promoted to Corporal (a classification that existed in the system but had not been used in many years). These promotions ensure effective supervision for all shifts while reducing excessive overtime

demands for Sergeants. As part of the FY 2017 adopted budget, three police officer positions were created, two of which were budgeted for mid-cycle start dates. The FY 2018 budget reflects the full effect of these two positions (an increase of \$68,707). The remaining increase is attributable to anticipated merit increases for employees (\$44,951), increases in health insurance expenditures (\$32,906), and anticipated increases in worker's compensation insurance (\$7,000).

The operating category shows a decrease of \$32,988 compared to the FY 2017 budget. The largest decrease is the removal of \$20,000 for an emergency preparedness plan that was included in the FY 2017 budget in anticipation of grant funding. These funds were not needed as the Virginia Department of Emergency Management directly allocated staff time to work with the County and Town staff to update the Emergency Operations Plan. Another large reduction is in fuel expenditures, which is reduced by \$10,000 based on prior year actual expenditures and current fuel cost projections. The allocation of projected motor pool expenditures has been decreased by \$10,844 based on prior year expenditures. The budget includes continued funding in the amount of \$5,000 for a contribution to a regional Crisis Intervention Team Coordinator.

The capital category includes the following items:

- \$30,000 for the purchase of four (4) additional Mobile Data Terminal (MDT) units
- \$2,500 for furniture and fixture needs
- \$15,000 for the purchase of parking enforcement hardware and software

During 2016, the Department made 3,484 arrests to include: 1,518 traffic citations, 504 parking tickets, 1139 written warnings and 323 felony and misdemeanor arrests. The Town of Warrenton continues to be one of the safest communities of its size. We have few violent crimes.

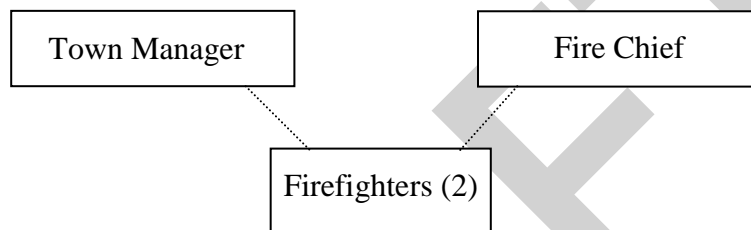
As we hire and retain more qualified officers, we continue to expand our focus on community policing. Officers are more proactive within the community by utilizing foot and motor patrols. Our part time training position has allowed us to concentrate on maintaining state mandated training hours and subject areas, while saving money on out of area training, and developing skills and expertise in subject areas. Our motor position has allowed us to patrol areas that are inaccessible to vehicles, and maintain a closeness and personal relationship with members of the communities in Town.

Fire & Rescue Services

Program Description

The Town of Warrenton provides support to the Warrenton Volunteer Fire Company (WVFC). WVFC provides suppression, emergency medical services and technical rescue services to a first due area that covers over 90 square miles, including the Town of Warrenton. The organization boasts a membership roster of over 120 volunteers who maintain 24/7/365 coverage. WVFC's revenue sources include financial support provided by the Town and Fauquier County, investments, and fundraising activities. Last year, WVFC units were dispatched to 4,371 calls for service, with 2,819 of them solely in the Town of Warrenton (64% of all responses in town).

Current Staffing



This program currently consists of two full-time paid firefighters, who are stationed at the WVFC. The firefighters report to the WVFC Fire Chief.

Goals

Key Projects

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$86,018	\$99,802	\$130,830	\$129,073	(\$1,757)
Operating	121,981	438,179	134,520	184,520	50,000
Capital	0	0	0	0	0
Total	\$207,999	\$537,981	\$265,350	\$313,593	\$48,243
Staffing Summary					
Full-time	1.0	1.0	2.0	2.0	0.0

Budget Request / Analysis

The proposed budget for the Fire and Rescue function is \$313,593, and increase of \$48,243 or 18.2% over FY 2017. The slight decrease in the personnel category reflects actual health insurance elections (when the FY 2017 budget was prepared, the second firefighter had not been hired, so the highest health insurance election had been entered as a placeholder). The operating budget increase of \$50,000 is due to a request from the WVFC for an increase in their annual operating contribution from \$100,000 to \$150,000. The amount reported for FY 2016 Actual in

the Operating category is significantly higher due to a one-time contribution of \$300,000 to the WVFC in support of the purchase of a new ladder truck.

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PUBLIC WORKS

Function Overview

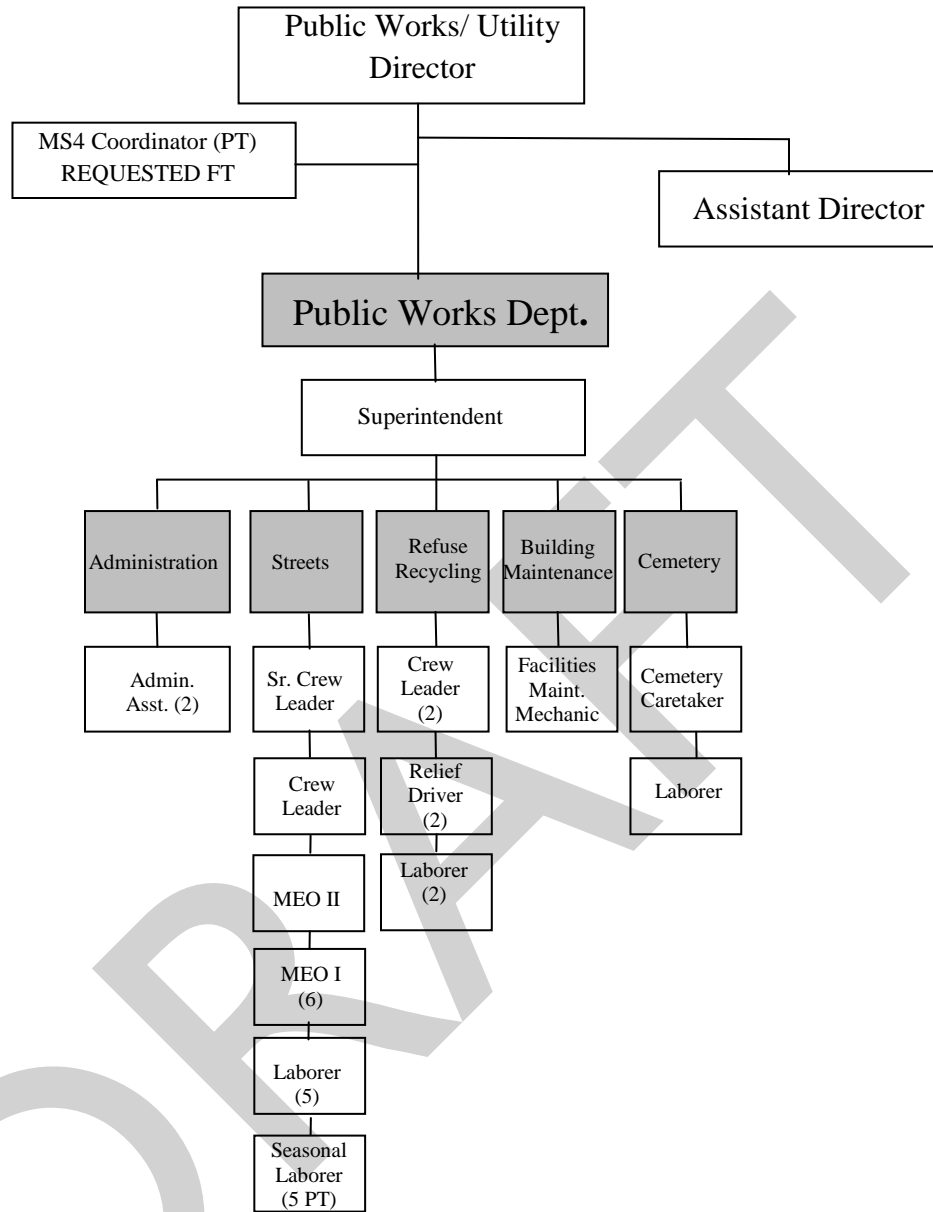
The Public Works Department is responsible for maintaining 93.47 lane miles of roadway and right of way, a significant number of public sidewalks, an 18-acre public cemetery, ten (10) traffic signals, 15.5 miles of storm sewers, approximately 194 pieces of Town equipment and vehicles, and various public buildings. The Warrenton Aquatic and Recreation Facility and the parks are the responsibility of the recreation department, but continue to need support by the public works department. The department provides curbside refuse collection twice-weekly to households and businesses, provides curbside recycling collection once a week for newsprint, cardboard, plastics and metals and also provides brush and leaf collection on a periodic and as needed basis for the Town's citizens and businesses. The department provides fall and spring cleanups, which allow citizens to cleanup and clean-out their properties with staff collecting and transporting to the landfill. In addition, the recycling program continues to accept office paper at the Public Works facility. Seven of the nine Public Works divisions are funded through the Town's General Fund. The arterial and collector budgets with a portion of the street budget are funded through annual road maintenance payments from the Virginia Department of Transportation (VDOT), which are estimated to total approximately \$1,346,679 in FY 2018.

The proposed budget for FY 2018 for the Public Works function totals \$3,558,619 which is an increase of \$177,324, or 5.2%, from the current fiscal year for the five operating budgets. A significant portion of the motor pool costs continue to be distributed to the Public Works budget which operates over 60 percent of all Town vehicles and equipment.

Funding for the numerous budgets within the Public Works Department have enabled the Town to maintain the public street surfaces at a level of quality above VDOT standards, as noted by compliments from the VDOT Resident Office. 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 Town's streets continue to receive satisfactory ratings from VDOT staff during the annual street maintenance inspection. The department does its best to ensure Warrenton's citizens receive the highest level of service possible within the budgetary limits set by the Council.

Budget Summary

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Administration	\$499,233	\$497,619	\$548,872	\$609,583	\$60,711
Streets (including Arterial & Collector)	1,712,384	2,129,006	1,775,773	1,842,440	66,667
Refuse / Recycling	557,340	602,971	612,345	618,210	5,865
General Properties	243,780	300,751	303,617	350,880	47,263
Cemetery					
Maintenance	117,114	118,793	140,688	137,506	(3,182)
Total	\$3,129,851	\$3,649,140	\$3,381,295	\$3,558,619	\$177,324



Goals

Key Projects

Public Works Administration

Program Description

The Administrative Division 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 programs, management of the vehicle and equipment maintenance and replacement programs, the enforcement of the Town's Storm Water Management Program, maintenance of streets, street lights 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 2018.

Traffic related issues remain a priority and staff will continue to pursue additional VDOT and other grant programs (Revenue Sharing, Primary Road and HB2) to supplement funding for future budgets.

Public Works coordinates with Community Development in the permitting of development projects under the Virginia Stormwater Management Permit (VSMP) program. The Town is currently in the fourth year of its Municipal Separate Storm Sewer System (MS4) permit under the Virginia Department of Environmental Quality (DEQ). The FY 2018 adopted budget covers year five of the permit and will involve the continued development of a Total Maximum Daily Limit (TMDL) Action Plan. In addition staff will continued development of best management programs (BMP) for implementation over the next 5-15 years to ensure compliance with a higher level of DEQ and EPA Stormwater regulations.

Current Staffing

The Administration Division is staffed by a Director, an Assistant Director, the Public Works Superintendent and two Administrative Assistants. The Director also serves as Director of Public Utilities; 25% of that position's salary is allocated to this department and the remaining 75% is allocated to the Public Utilities budget. Similarly, the Assistant Director serves as Assistant Director of Public Utilities; 80% of that position's salary is allocated to this department with the remaining 20% allocated to the Public Utilities budget. Thirty-five percent of the Chief Automotive Mechanic's salary is charged to the Public Works Administration budget. A part-time MS4 Coordinator is also budgeted in this department.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$457,617	\$439,879	\$455,519	\$489,009	\$33,490
Operating	40,441	54,120	89,428	119,074	29,646
Capital	1,175	3,620	3,925	1,500	(2,425)
Total	\$499,233	\$497,619	\$548,872	\$609,583	\$60,711
Staffing Summary					
Full-time	5.0	5.0	5.0	5.75	0.75
Part-time	0.0	1.0	1.0	0.0	(1.0)

Budget Request / Analysis

The proposed FY 2018 budget for the Public Works Administration Division of \$609,583 reflects an increase of \$60,711, which is 11.1% greater than FY 2017. This is due to the upgrade from part-time to full-time of the MS4 Coordinator (net increase of \$36,781 including salary and benefits). This position has been part-time since its creation in FY 2016; however, the MS4 program requirements increase each year, necessitating the move to full-time. Beginning with this budget, 25% of the salary of an Administrative Assistant has been allocated to the Water and Sewer Administration Budget, reflecting the support provided to the Transmission and Distribution crew that works out of the Public Works facility (net decrease of \$18,610 including salary and benefits). The operating budget is increased by \$29,646 due to an additional \$30,000 in professional services necessary to support the increased requirements of the MS4 program. The capital category reflects a decrease since there is no plan to purchase computer equipment or furniture in the proposed budget.

Street Maintenance

Program Description

The Street Maintenance Division is responsible for all maintenance and repair activities associated with the 93.47 lane miles of public roads and 15.5 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, small construction projects and grass cutting functions along the Town's public roadways and rights of way. The Virginia Department of Transportation provides reimbursement, which is accounted for in the categorical aid revenue section of this report, for the maintenance of both Arterial and Collector streets.

Current Staffing

The Street Maintenance Division is staffed with two street maintenance crews who are responsible with insuring that the appearance of the Town's streets are maintained to the level expected by the Town's citizens. Personnel funds in this budget are supplemented by the Arterial and Collector budgets when work is specifically performed to those classifications of roadways. As the seasons and workloads require, the department uses seasonal part-time employees to supplement staff with summer weed-eating, fall leaf collection and miscellaneous work around Town.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$ 673,110	\$ 688,932	\$642,466	\$660,856	\$18,390
Operating	246,230	341,495	286,213	293,351	7,138
Capital	13,108	170,756	10,500	10,500	0
Total	\$ 932,448	\$1,201,183	\$939,179	\$964,707	\$25,528
Staffing Summary					
Full-time	16.0	16.0	16.0	16.0	0.0

Budget Request / Analysis

The FY 2018 street budget reflects an increase of \$25,528 compared to the FY 2017 budget. The personnel category increased by \$18,390 due to changes in health insurance elections.

The operating budget reflects an increase of \$7,138. Motor pool estimates are allocated to departments based on their prior year usage. The streets section has the largest number of vehicles that are the most heavily used of any town department. An allocation of \$210,651 has been estimated for the FY 2018 requirements of the motor pool function. This is an increase of \$18,589 compared to FY 2017. This increase is offset by a decrease in budgeted fuel expenditures, which have been reduced by \$13,000 based on prior year expenditure trends.

The Street, Arterial and Collector budgets are offset by the annual VDOT maintenance payments.

Arterial Street Maintenance

Program 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

Staffing for this division is accounted for in the Street Maintenance department immediately preceding this section. Street Maintenance personnel time is charged to this department when they perform work related to arterial streets.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$114,210	\$110,950	\$120,568	\$120,568	\$0
Operating	142,477	64,811	144,300	148,300	4,000
Capital	246,765	321,029	171,000	199,639	28,639
Total	\$503,452	\$496,790	\$435,868	\$468,507	\$32,639

Budget Request / Analysis

The personnel charges for Arterial and Collector Street budgets are allocated from the main Street Maintenance division budget.

The bulk of the increase in operating and capital expenditures for the Arterial Streets budget is due to plans for increased work on Street Improvements and Paving. East-bound Lee Highway is scheduled for resurfacing, along with Old Alexandria Pike into Old Town.

The division supplements staff by contracting for certain activities related to the maintenance of the public right of ways, gateways to Town, and traffic signals. These activities include tree and landscape maintenance (to include the welcome sign areas), contract mowing of the Route 29 By-pass; increased contracting for snow removal in the newer subdivisions due to recent change in weather patterns with more frequent and heavy snow events that require additional assistance to fulfill citizen expectations. The use of contractors for the mowing of selected areas of right of way and common areas continues to enable the full time staff level to be maintained at the current level for the past 14 years.

Collector Street Maintenance

Program Description

The Collector Street Maintenance Division 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 system, which are the main highway streets through and serving the town.

Under the division budget, salaries and benefits are drawn down as projects are implemented or as work is carried out, similar to the Arterial budget. Funds are included under appropriate categories for snow removal, miscellaneous sidewalk curb and gutter repairs, supplies, replacement of damaged and old street signs, and centerline markings.

Current Staffing

Staff for this division is accounted for in the Street Maintenance department. Street Maintenance personnel time is charged to this division when they perform work related to Collector streets.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$85,573	\$73,235	\$90,426	\$90,426	\$0
Operating	174,885	128,616	169,800	163,300	(6,500)
Capital	16,026	229,182	140,500	155,500	15,000
Total	\$276,484	\$387,344	\$400,726	\$409,226	\$8,500

Budget Request / Analysis

The FY 2018 Collector Street Division adopted budget is an increase of \$8,500 over the current year's budget. The street milling and paving schedule is at the same level as the past several years. It is tentative and will be reevaluated at the end of the winter season as to the schedule of streets to be repaved. The department will continue to investigate interim methods (crack sealing and pavement restoration technologies) to extend pavement life, with a focus on subdivisions built in the 2005 to 2008 time frame.

In addition to the street paving, the budget covers the spot replacement of damaged/deteriorated curbs/gutters and sidewalks at various locations around Town at a maintenance level. Included in the budget under the payments on contracts line item are funds for centerline & parking striping (\$6,000) and contract snow removal (\$9,500) which the department uses to supplement the town resources. Except for the current year, recent winters have experienced more frequent and heavy snow events with icy conditions requiring more chemical treatment. There are several subdivisions that could be initiated in FY18, but it is not anticipated that any new streets will be added to the inventory for the fiscal year.

Refuse Collection

Program Description

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.

Current Staffing

This division is staffed by six full-time employees, whose time is allocated to the refuse and recycling departments based on an 80% / 20% split.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$320,828	\$331,049	\$334,514	\$347,634	\$13,120
Operating	90,702	115,734	120,553	110,075	(10,478)
Capital	0	0	0	0	0
Total	\$411,530	\$446,783	\$455,067	\$457,709	\$2,642
Staffing Summary					
Full-time	4.8	4.8	4.8	4.8	0.0

Budget Request / Analysis

The FY 2018 budget is \$2,642 more than the FY 2017 adopted budget. The personnel category reflects an increase of \$13,120 to cover merit increases. The budget does not include tipping fees to the Fauquier County Landfill for household trash; the proposed budget includes \$10,000 for Landfill Operations to cover other fees not associated with household refuse.

Every resident continues to receive a year's supply of trash bags at no cost which can be picked up at the Visitor Center which is centrally located, provides better parking than the Public Works facility, and is open seven days a week. Citizens are able to buy additional boxes of bags from Town Hall. The Town's waste stream has fluctuated slightly over the past twelve months with the current economy and housing market, but is projected to remain under 4,000 tons (the programmed amount estimated by the landfill) in FY 2018. In calendar year 2016, a total of 3,654 tons was collected.

Estimates of motor pool charges are allocated to departments based on the prior year actual usage. The refuse and recycling vehicles are used extensively every day with 250-300 stops and starts over their routes. This translates into above average maintenance costs per vehicle. A replacement refuse truck is programmed in the capital projects fund for FY 2018.

Recycling Program

Program Description

The Recycling Division accounts for all costs associated with the coordination and management of the recycling collection program for the Town of Warrenton. The collection activity of co-mingled household and business glass, metal, and plastics has been a program with the Town for over 25 years. Newspapers and corrugated cardboard are collected one day a week by the Town's refuse crews with leaf and brush collection performed by other Public Works crews on a daily basis.

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 county landfill.

Current Staffing

This division is staffed by six full-time employees, whose time is allocated to refuse and recycling based on an 80% / 20% split.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$102,206	\$105,115	\$108,918	\$111,881	\$2,963
Operating	43,604	51,073	48,360	48,620	260
Capital	0	0	0	0	0
Total	\$145,810	\$156,188	\$157,278	\$160,501	\$3,223
Staffing Summary					
Full-time	1.2	1.2	1.2	1.2	0.0

Budget Request / Analysis

The FY 2018 budget of \$160,501 for recycling collection is an increase of \$3,223 compared to the FY 2017 budget. The increase in the personnel category reflects the impact of anticipated merit increases.

Staff continues to promote recycling to individual citizens and businesses. The Town's recycling numbers are currently incorporated with Fauquier County's for a combined rate above the state mandated 25% during calendar year 2016. Staff will continue to make a concerted effort to encourage local business involvement in the recycling program and to provide more accurate accounting of the recycling volume derived from large businesses. Every ton recycled is one less ton sent to a landfill, reducing the cost of landfill operations and extending its capacity.

Town staff collects newspapers and cardboard weekly along with co-mingled recycling in blue bags set at curbside. The costs have remained level through the continued use of the County

recycling center at the Fauquier County Landfill, at no cost for handling the material. There is no anticipated charge for the co-mingled recycling for FY 2018 by Fauquier County Landfill. The County is constantly looking for ways to expand their facilities to accommodate a wider range of recyclable products. Staff will continue to work with County staff to keep informed as to new program developments and to be able to adjust the Town program accordingly.

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General Properties

Program Description

This division is responsible for the maintenance, repair and custodial functions for Town owned or occupied buildings and grounds. The buildings included are Town Hall, the Public Works Facility, Public Safety Facility, the Main Street Program/Warrenton Meeting Place building on 3rd Street, the Visitor Center and the Cemetery building with restroom. The Mosby House has also been included for complete building services in the current budget. The grounds include parking lots, public green space 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 departmental budget, or the two rental houses, which are included in the Water and Sewer Operating Fund budget.

Building maintenance is performed primarily by the building maintenance mechanic with the care of open spaces supplemented by Public Works crews and seasonal personnel.

Current Staffing

The Building Maintenance Division is staffed by one full-time building maintenance mechanic.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$61,369	\$80,633	\$66,103	\$86,783	\$20,680
Operating	182,411	215,343	227,014	263,097	36,083
Capital	0	4,775	10,500	1,000	(9,500)
Total	\$243,780	\$300,751	\$303,617	\$350,880	\$47,263
Staffing Summary					
Full-time	1.0	1.0	1.0	1.0	0.0

Budget Request / Analysis

The General Properties budget provides funding for operation, maintenance and repair of all Town-owned buildings, structures and properties. The proposed FY 2018 budget of \$350,880 is an increase of \$47,263 compared to the FY 2017 budget. The increase in the personnel category is due to staff health insurance elections, coupled with anticipated merit increases.

The operating budget shows an increase of \$36,083. A large portion of this is the rental of space on Culpeper Street to house additional staff. Recurring rental expense and connectivity charges are \$16,000. Other expenditures of \$9,000 necessary to set up the space include network connections, firewall installations, and furniture.

This is a maintenance level budget for the Town facilities with no major improvements or replacements of building components. Staff continues to look for ways for properties to be more

energy efficient and environmentally compatible, light fixtures are replaced with current technology. Town facilities experience high use by staff and the public, which translates into the high level of maintenance required. The Visitor Center and Public Safety Facility are used heavily by outside groups. The facilities and grounds continue to be a challenge for the staff, which is supplemented by very reliable part-time employees. Contractors are employed for maintenance and repairs to cover services to HVAC, fire, and security systems. The materials and supplies for maintenance continue to increase in quantities and cost due to the aging of Town properties.

The lease of the building on South 3rd Street to the Main Street Program and the Warrenton Meeting Place continues to work well with the tenants providing more than their share of maintenance to the building. The Fifth Street Baptist Church parking lot continues on a year to year basis, benefiting both the Town and the Church.

Cemetery Maintenance

Program Description:

This activity includes all Town direct expenses for the maintenance of the eighteen acre historic cemetery in the Town.

Current Staffing

This division is staffed by two full-time employees. Activities are supplemented as needed by other Public Works staff.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$ 93,878	\$ 97,586	\$ 97,837	\$ 104,064	\$ 6,227
Operating	15,916	20,595	29,351	30,942	1,591
Capital	7,320	612	13,500	2,500	(11,000)
Total	\$ 117,114	\$ 118,793	\$ 140,688	\$ 137,506	\$ (3,182)
Staffing Summary					
Full-time	2.0	2.0	2.0	2.0	0.0

Budget Request / Analysis

The FY 2018 budget request is an overall decrease of \$3,182 compared to the prior fiscal year. The increase in the personnel category reflects increases in health insurance and anticipated merit increases. The decrease in the capital category reflects the elimination of equipment replacements in this fiscal year.

The Town has come to the end of generating revenue from the sale of lots. Sixteen (16) cremation sites are remaining for sale. Although all full size lots have been sold, staff still is involved in every burial (opening and closing the grave sites). Last year the town generated \$25,350 in fees. This year's budget includes additional maintenance efforts to repair the interior roads with asphalt paving on the deteriorated portions. This paving expenditure will be offset by a transfer of interest earnings from the Perpetual Care Fund.

Estimates of motor pool charges are allocated to departments based on prior year usage. Although the primary equipment of the cemetery are mowers and small equipment, this budget allocates the costs of the backhoe and dump truck usage for the graves opened and closed for burials each year.

PARKS AND RECREATION

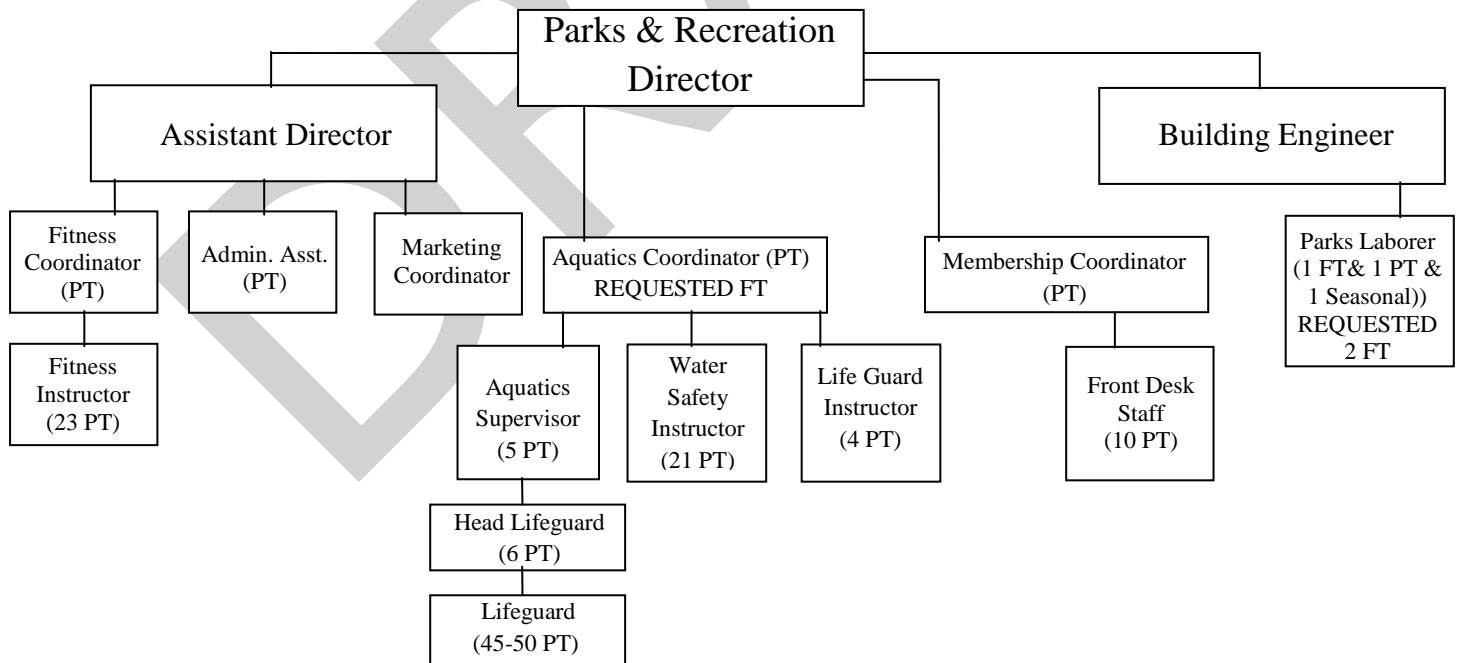
Function Overview

The Town operates five parks in addition to the Warrenton Aquatic and Recreation Facility. In addition, the department manages several large events, mostly during the summer months.

Budget Summary

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Parks & Recreation:					
Aquatic Center	\$1,499,406	\$1,605,010	\$1,656,167	\$1,570,120	\$(86,047)
Parks Maintenance	80,310	156,900	248,287	267,364	19,077
Administration	118,694	121,250	121,415	351,531	230,114
Total Parks and Recreation	\$1,698,410	\$1,883,160	\$2,025,869	\$2,189,015	\$163,146

The Parks and Recreation function accounts for 15.04% of the total General Fund budget. Detailed descriptions of the adopted budgets for each of the departments listed above is provided in the following pages.



*Some PT staff hold multiple positions

Goals and Key Projects for FY18:

- Provide recreation opportunities for all citizens
- Provide consistent, quality customer service for those using our facilities
- Complete construction of dog park and hold grand opening
- Complete engineering and design work on Timber Fence Trail, Phases I and II. Apply for VDOT TAP grant for Phase I.
- Convert WARF parking lot lights to LED to conserve resources.
- Continue to develop new partnerships within the community to enhance programming.

DRAFT

Parks and Recreation - Aquatic Center

Program 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 objectives of this facility are to provide a high quality of service to the public, control expenditures, and to generate revenue that seeks to offset expenditures.

Current Staffing

The Parks and Recreation function has five full-time staff members. The Marketing Coordinator is allocated 50% to this budget and 50% to the Parks Maintenance budget. A percentage of three administrative salaries are allocated to this function to reflect the level of effort required to support activities for the Aquatic Center. The majority of the Aquatic Center staff is part-time, limited to working no more than 29 hours per week.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$862,355	\$945,381	\$941,290	\$789,682	(\$151,608)
Operating	637,051	651,952	699,577	740,438	40,861
Capital	0	7,677	15,300	40,000	24,700
Total	\$1,499,406	\$1,605,010	\$1,656,167	\$1,570,120	(\$86,047)
Staffing Summary					
Full-time	2.6	2.6	3.1	1.5	(1.6)
Part-time	95.0	95.0	94.0	93.0	(1.0)

Budget Request / Analysis

The FY 2018 budget is \$1,570,120, which is a decrease of \$86,047 compared to the FY 2017 budget. Historically, a portion of the salaries of the Director, the Assistant Director and the Building Maintenance Technician were split between this department and the Administration department. Those salaries are now 100% allocated to the Administration department, resulting in a decrease of \$226,887 including salaries and benefits for the Aquatic Center budget. The proposed budget includes an upgrade from part-time to full-time of the Aquatics Coordinator position, an increase of \$30,614, including salary and benefits. The budgets for facility attendants and fitness instructors have been increased based on actual costs for FY 2016 and FY 2017 (net increase of \$30,700). The personnel budget also includes amounts for merit increases.

The Operating category reflects an increase of \$40,861. The largest increase is in electricity (increase of \$20,000) and is based on actual costs. The second largest area of increase is contractual repairs (increase of \$10,600) and reflects the expenses associated with a facility that is now 10 years old. Similarly, costs for equipment repair have been increased (up by \$5,000) as well as the budget for pool chemicals (increase of \$4,000).

The Parks and Recreation staff continues to refine programs and implement cost saving measures whenever possible. The WARF outsources janitorial services, and heating, ventilation and air conditioning (HVAC) preventive maintenance in an effort to keep costs down.

DRAFT

Parks and Recreation - Parks Maintenance

Program Description

The goal of this department is to maintain the Town's park facilities in order to provide citizens with attractive, clean, functional, safe and pleasant places to visit. The Town maintains Eva Walker Park, Rady Park, Sam Tarr Park, Academy Hill Park, Fun for All Playground, Skateboard Park, the lake, grounds and trails at the WARF complex, and will soon be maintaining a dog park.

Current Staffing

This function is staffed by one full-time, one part-time and one seasonal part-time employee to maintain the appearance and safety of all Town parks. Public Works has provided labor for special projects or in the absence of Parks and Recreation personnel. 50% of the Marketing Coordinator position is allocated to this department to account for marketing activities related to events in the parks.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$24,454	\$55,405	\$97,572	\$115,391	\$17,819
Operating	55,856	101,081	107,425	145,973	38,548
Capital	0	414	6,000	6,000	0
Total	\$80,310	\$156,900	\$210,997	\$267,364	\$56,367
Staffing Summary					
Full-time	1.0	1.0	1.5	2.5	1.0
Part-time	1.5	1.5	1.5	0.0	(1.5)

Budget Request / Analysis

The Parks budget for FY 2018 of \$267,364 is an increase of \$56,367 compared to the FY 2017 adopted budget. The proposed budget includes a request to upgrade a part-time Parks Maintenance Worker position to full-time, which increases the budget by \$22,710. This move also involves the elimination of a seasonal Parks Maintenance Worker position.

The operating category reflects an increase of \$38,548 compared to the current year budget. The motor pool allocation has been reduced due to the purchase of new vehicles for this department that don't require as much maintenance.

The capital category remains stable and provides for replacement of playground equipment, estimated to cost \$1,000, and \$5,000 to install a water fountain at Academy Hill Park. The water fountain will be funded with proffer money related to Academy Hill Park.

Parks and Recreation - Administration

Program Description

This budget supports all of the department's various programs to make certain they perform and function effectively and efficiently. This administrative effort provides leadership, direction, oversight, management, technical assistance, contract management, and staff training assistance. This department's workload includes management of the WARF, five parks, the Fun for All Playground, and the lake feature, which was completed in FY 2012. 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 Administration consists of a Director, an Assistant Director and a Building Maintenance Technician. Their salaries have historically been allocated between the Administration function and the Aquatic Center.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$95,520	\$103,979	\$102,317	\$331,745	\$229,428
Operating	23,174	17,271	19,098	19,786	688
Capital	0	0	0	0	0
Total	\$118,694	\$121,250	\$121,415	\$351,531	\$230,116
Staffing Summary					
Full-time	0.9	0.9	0.9	3.0	0.0

Budget Request / Analysis

The proposed Parks and Recreation Administration budget for FY 2018 reflects an increase of \$230,116 over the FY 2017 adopted budget. The increase in the personnel category is the result of allocating 100% of staffing charges to the Administration Budget rather than splitting those charges with the Aquatic Center (\$226,887 including salaries and benefits).

The operating category reflects a modest increase, mostly due to monthly charges for Town cell phones for staff.

COMMUNITY DEVELOPMENT

Function Overview

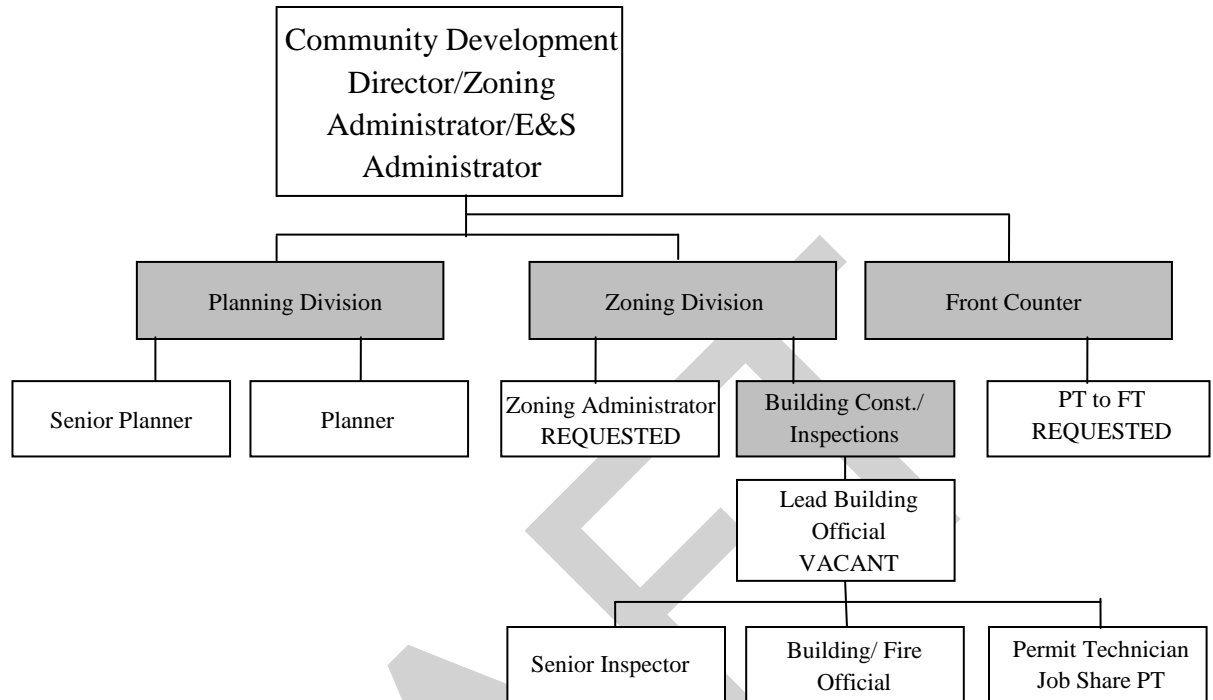
The Planning and Community Development Department oversees the Town's built and physical environments. It is responsible for current planning, long range planning, building and zoning permits, erosion and sediment control, and inspections. The Department enforces the Zoning and Subdivision Ordinance, Building Code, 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 other organizations like Planning District 9 and Fauquier County committees. All land use applications and plans for new construction are reviewed and approved through Community Development. Additionally, the Department is responsible for developing and updating the Town's Comprehensive Plan, development review ordinances (Zoning, Subdivision, and Historic District Guidelines), Farmers Market, and the Capital Improvement Plan.

Also included in this section is funding for the Visitors Center and the Economic Development Department.

Budget Summary

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Planning & Zoning	\$338,702	\$451,603	\$658,655	\$894,351	\$235,696
Inspections	256,238	304,507	315,697	372,262	56,565
Visitors Center	74,679	79,183	92,102	90,764	(1,338)
Planning Commission	6,951	6,782	9,751	14,251	4,500
Architectural Review Board	243	462	1,500	4,700	3,200
Board of Zoning Appeals	2,840	270	500	2,700	2,200
Economic Development	39,251	124,881	173,849	159,427	(14,422)
Total	\$718,904	\$967,688	\$1,252,054	\$1,538,455	\$286,401

The total budget for this function of \$1,538,455 represents 10.4% of the proposed general fund budget. Detail for each of the departments listed above is provided in the following pages.



Goals

- Provide the citizens of the Town of Warrenton with friendly, accurate, timely, high-quality professional service.
- Provide a resident and business-friendly environment.
- Provide the Planning Commission, Architectural Review Board, and Town Council with recommendations on land use applications, policies, and plans that result in balanced, equitable, orderly growth.
- Ensure recommendations are well informed and legally defensible.
- Be transparent and open to the public.
- Base recommendations on the adopted policy and plans that set forth the vision for the Town.
- Collaborate with adjacent Planning Commissions, agencies, and interested organizations.

Key Projects for FY2018

- Establish Urban Development Area(s)
- Develop a Complete Streets Guide
- Update the Comprehensive Plan
- Update the Article 6 - Sign Ordinance
- Expand the Historic District
- Digitize the land use and address files.

Planning & Zoning

Program Description

The Department of Planning and Zoning provides support in the areas of current planning, long-range planning, community development and administration. The department enforces the regulations of the Zoning and Subdivision Ordinance, Building Code and the Town Code. The department provides research and support for the Town Council, Planning Commission, Board of Zoning Appeals, Architectural Review Board, and the Transportation Safety Commission. All plans for new construction, rehabilitation of existing structures and development of properties in the Town are reviewed and approved by the Planning and Zoning Department. Additionally, the department is responsible for developing and updating the Town's Comprehensive Plan, development review ordinances (Zoning, Subdivision and Historic District Design Guidelines) and the Capital Improvements Program.

Current Staffing

The Planning & Zoning Department is staffed by three full-time personnel, a Director, a Senior Planner, and a Planner. Also included are 50% of the salaries of the Part-time Permit Technicians and 25% of the salaries of the Lead Building Official and the Building Official.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$243,443	\$366,761	\$384,877	\$503,870	\$118,993
Operating	63,755	83,506	273,478	381,481	108,003
Capital	1,504	1,336	300	9,000	8,700
Total	\$308,702	\$451,603	\$658,655	\$894,351	\$235,696
Staffing Summary					
Full-time	2.5	3.5	3.5	5.5	2.0
Part-time	1.0	1.0	1.0	0.5	(0.5)

Budget Request / Analysis

The proposed budget for FY 2018 is \$894,351, which reflects an increase of \$235,696, or 35.8% greater than FY 2017. The personnel category shows an increase of \$118,993. The budget request for FY 2018 includes a full-time Zoning Planner (\$98,819 including salary and benefits), upgrading a part-time Permit Technician position to full-time (total of \$49,210 including salary and benefits, allocated 50% to this department and 50% to Inspections), and funding for a summer Intern.

The operating category shows an increase of \$108,003 compared to the current year adopted budget. The largest areas of increase are for contracted services:

- \$75,000 is proposed for a document scanning project.

- \$50,000 is included to utilize Fauquier County's GIS system. This will be an annual expense.
- \$50,000 is planned to continue contract services for zoning enforcement.
- \$30,000 is proposed for outsourcing plan review.
- \$80,000 is included in the budget for the Comprehensive Plan. \$170,000 was budgeted in FY 2017, but due to staffing changes within the department and other requirements, the effort was only partially started. Studies for the basis of the Comprehensive Plan rewriting were completed to serve immediate needs, including parking and signage. It is anticipated that \$90,000 of the FY 2017 funding will be encumbered prior to June 30, 2017. The entire estimated project budget is \$220,000, so another \$50,000 will likely be included in the budget for FY 2019.

There will be continued involvement with Fauquier County and the Rappahannock-Rapidan Regional Planning District Commission (PD9) to coordinate local and regional planning issues. For the third year, the Commission has requested a contribution from participating localities in support of their role as lead housing agency. The Town's contribution is \$1,937.

The contribution to the planning district will be \$8,223 for FY 2018. The Town has benefited from participation in the Rural Transportation Committee at PD9. This has identified essential traffic and road issues and enabled the Town to participate in supplemental funding opportunities for traffic studies and facilities. Joint planning activities have been established with Fauquier County Planning for site plan and transportation coordination and it is anticipated that these will become more formalized over the coming years.

Inspections Division

Program Description

The Inspections Division of the Community Development Department provides 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; soil and erosion control; site development, utilities and zoning consistency. The division 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 Inspections Division, while included in the Public Safety functional classification, is under the supervision of the Director of Community Development reflecting the enforcement and ordinance responsibilities under that department. The Inspections Division delivers a 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 division strives to keep citizens, contractors, businesses and other staff members up to date on any Building Code changes.

Building Inspections is 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 adopted budget has been an effective tool in assuring reasonable responses to the building community at the most cost effective means.

Current Staffing

Inspection services have been consolidated with Community Development (Zoning). This is reflected in budget allocations where 50% of the Permit Technicians (part-time) and 25% of the salaries for Building Officials are shared with Community Development to support permit application intake and zoning inspections for ordinance compliance.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$237,639	\$280,423	\$285,334	\$299,137	\$13,803
Operating	18,599	24,084	30,363	59,125	28,762
Capital	0	0	0	14,000	14,000
Total	\$256,238	\$304,507	\$315,697	\$372,262	\$56,565
Staffing Summary					
Full-time	2.5	2.5	2.5	4.5	2.0
Part-time	1.0	1.0	1.0	0.5	(0.5)

Budget Request / Analysis

The proposed budget for FY 2018 reflects an increase of \$56,565, or 17.9% over the FY 2017 budget. The personnel category shows an increase of \$13,803. This reflects the upgrade of one of the part-time Permit Technician positions from part-time to full-time and allocated 50% to this department.

The staffing allocations for this department for the current and proposed fiscal year are shown below:

Position	FT or PT	FY 2017	FY 2018
Lead Building Official	FT	75%	75%
Building Official	FT	75%	75%
Senior Code Inspector	FT	100%	100%
Permit Technician	FT	n/a	50%
Permit Technician	PT	Two at 50%	One at 50%

The operating budget reflects an increase of \$28,762. The bulk of this increase is \$20,000 in professional services to outsource plan review.

The capital budget amount of \$14,000 allows for the purchase of systems furniture to better use the space in the Community Development Department to accommodate new employees (\$4,000) and the purchase of iPads, printers and electronic code books for inspectors (\$10,000).

Visitor's Center

Program Description

The Warrenton-Fauquier Visitors Center is open seven days a week to provide tourism and information services to the public about the Town and surrounding area. The facility also rents meeting space to various organizations.

Current Staffing

The Visitors Center is open seven days a week, and is staffed by three part-time positions.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$59,392	\$63,803	\$70,234	\$70,415	\$181
Operating	15,287	15,380	21,868	20,349	(1,519)
Capital	0	0	0	0	0
Total	\$74,679	\$79,183	\$92,102	\$90,764	(\$1,338)
Staffing Summary					
Part-time	3.0	3.0	3.0	3.0	0.0

Budget Request / Analysis

The FY 2018 budget request proposes a modest decrease compared with the current fiscal year. Increases in personnel cover anticipated merit increases for the staff at the center.

Funding in the amount of \$42,600 is provided annually by Fauquier County to support the efforts of the Visitors Center.

Planning Commission

Program Description

The Planning Commission is established by Section 2-162 of the Town Code 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; and
8. If deemed advisable, establish an advisory committee or committees.

Current Staffing

The Commission consists of a Chairman and six (6) members. A member of Town Council also sits on the Commission as an Ex-Officio member. The Planning Director serves as staff support for the Commission.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$6,701	\$6,782	\$7,751	\$7,751	\$0
Operating	250	0	2,000	6,500	4,500
Total	\$6,951	\$6,782	\$9,751	\$14,251	\$4,500

Budget Request / Analysis

The proposed budget for the Planning Commission for FY 2018 reflects an increase of \$4,500 over the current year. The increase in the operating category includes \$1,500 in professional service, \$1,500 in printing, \$3,000 for training and \$500 for materials and supplies for meetings.

Board of Zoning Appeals

Program Description

The Board of Zoning Appeals is established by the Code of Virginia to hear and decide upon requests for special exceptions and appeals from any order, decision or determination made by an administrative officer enforcing the Town's Zoning or Subdivision Ordinance. The Board also interprets the district zoning map where uncertainty exists regarding the location of a district boundary and authorizes variances from the strict terms of the Zoning Ordinance where a clear hardship can be demonstrated. Nominations for the BZA are solicited by Town Council from the general public and are representative of the Town at-large. Recommendations for appointment are made to and approved by the Circuit Court.

Current Staffing

The Board consists of Chairman, Vice-Chairman and three members. The Zoning Administrator, Town Attorney and a part-time secretary provide staff support. The Board strives to provide quality and timely services to those citizens in need of Board actions. The meetings are regularly scheduled on the first Tuesday of each month.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Operating	\$2,840	\$270	\$500	\$4,700	\$4,200
Total	\$2,840	\$270	\$500	\$4,700	\$4,200

Budget Request / Analysis

The proposed budget for the Planning Commission for FY 2018 reflects an increase of \$4,200 over the current year. The increase in the operating category includes \$1,500 in professional service, \$1,500 in printing, \$500 for advertising, and \$1,200 for materials and supplies for meetings.

Architectural Review Board

Program 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 Board on unique structural details as the need arises. The Board 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 other members appointed by the Town Council. The Board is assisted by a staff person and a secretary from the Planning Department.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Operating	\$243	\$462	\$1,500	\$2,700	\$1,200
Total	\$243	\$462	\$1,500	\$2,700	\$1,200

Budget Request / Analysis

The proposed budget for the Planning Commission for FY 2018 reflects an increase of \$1,200 over the current year. The increase in the operating category includes \$500 in professional service, \$500 in printing, \$500 for advertising, and \$1,200 for materials and supplies for meetings.

Economic Development

Program Description

Established mid-way through Fiscal Year 2015, this department accounts for activities related to the promotion of economic development within the Town of Warrenton, in close partnership with the Department of Economic Development for the County of Fauquier. The department focuses on assisting existing businesses to thrive and expand within the Town, to attract new businesses, to facilitate redevelopment of commercial corridors with new capital investment and job creation in conjunction with the Town's Comprehensive Plan and the goals of the Town Council.

Current Staffing

The Department is staffed by one full-time Economic Development Manager. This position reports to the Town Manager and closely coordinates activities with the Fauquier County Economic Development Director.

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$34,354	\$105,758	\$108,299	\$118,427	\$10,128
Operating	2,814	19,123	65,550	40,800	(24,750)
Capital	3,153	0	0	200	200
Total	\$40,321	\$124,881	\$173,849	\$159,427	(\$14,422)
Staffing Summary					
Full-time	0	1.0	1.0	1.0	0

Budget Request / Analysis

The budget for FY 2018 for the Economic Development department reflects an increase of \$14,422. The salary was adjusted according to the Compensation Study in 2016. The position is currently vacant.

The operating category shows a decrease of \$24,750 due to the suspension of funding the Small Business Development Grant program. The program was funded in FY 2016, but did not get underway during the fiscal year. The FY 2016 budgeted funds will be transferred to the Economic Development Authority to maintain and disburse according to the program criteria. Other operational expenditures include \$8,000 for professional services, \$5,000 for printing, \$20,000 for advertising and marketing, and \$4,750 for travel and training.

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.

Budget Summary

Agency	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Hospice Support of Fauquier	\$1,000	\$1,000	\$1,000	\$1,000	0
Fauquier Community Food Bank	3,750	3,750	3,750	3,750	0
Fauquier Family Shelter	6,700	6,700	6,700	6,700	0
Fauquier Community Child Care	4,500	4,500	4,500	4,500	0
Fauquier Free Clinic	10,000	10,000	10,000	10,000	0
Piedmont Dispute Resolution Center	1,000	1,000	1,000	1,000	0
Circuit Rider	39,961	39,961	44,987	41,942	(3,045)
Circuit Rider – Vehicle Expenses	17,380	15,749	15,000	15,000	0
Literacy Volunteers of Fauquier County	2,500	2,500	2,500	2,500	0
Fauquier CADRE	2,000	2,000	2,000	2,000	0
Rappahannock-Rapidan Medical Reserves	500	500	500	500	0
Fauquier Community Action Committee	0	10,000	10,000	10,000	0
Families4Fauquier	0	2,000	2,000	2,000	0
Leadership Fauquier	0	3,000	3,000	3,000	0
Boys & Girls Club of Fauquier	10,000	10,000	10,000	10,000	0
Piedmont Symphony Orchestra	1,000	1,000	1,000	1,000	0
Bluemont Concert Series	10,000	10,000	10,000	10,000	0
Fauquier Historical Society	10,000	10,000	10,000	10,000	0
Heritage Day	2,500	2,500	2,500	2,500	0
First Night Out	5,000	5,000	5,000	5,000	0
Main Street Program (formerly Partnership for Warrenton)	30,000	28,496	20,000	20,000	0
Warrenton Caboose	1,000	1,000	1,000	1,000	0
Lord Fairfax Community College	0	7,500	17,500	2,500	(15,000)
Total	\$158,791	\$178,156	\$183,937	\$165,892	(\$18,045)

Budget Request / Analysis

Descriptions of the organizations requesting contributions from the Town are provided below.

Hospice Support of Fauquier

Hospice Support of Fauquier is a volunteer organization which provides non-medical, supportive care to terminally ill patients and their families. The proposed contribution is \$1,000.

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; the proposed contribution is \$3,750.

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 proposed contribution is \$6,700.

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 child care service to Warrenton residents at Brumfield, Bradley and P.B. Smith Elementary Schools. The proposed contribution is \$4,500.

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 proposed contribution is \$10,000.

Piedmont Dispute Resolution Center

The part-time staff at the Piedmont Dispute Resolution Center works with the court system and staff 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 proposed contribution is \$1,000.

Virginia Regional Transit - Circuit Rider

Operated by Virginia Regional Transit (VRT), the Circuit Rider provides access to affordable transportation for Town residents. Federal funding covers 50% of the expenses associated with the program, 32% represents the Town's share of funding, and the remaining 18% is provided by the State. Increased ridership totals reported for FY 2015 by VRT reflect the importance of this service in the community. The Town is proposing to fund the federally prescribed local match total of \$56,942 by providing \$41,942 in direct funding, and \$15,000 of "in-kind" services necessary to fuel the bus. The in-kind figure is budgeted based on historical costs.

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 proposed contribution is \$2,500.

Fauquier CADRE

Fauquier CADRE, (Community Alliance for Drug Rehabilitation and Education) is dedicated to minimizing the threat of alcohol, tobacco, and drug use in the Fauquier County community. CADRE, although primarily dedicated to adolescents and young adults, readily provides information, education, and referrals to all persons who need assistance with alcohol, tobacco, and drug prevention. The proposed contribution is \$2,000.

Rappahannock-Rapidan Medical Reserves

The Rappahannock-Rapidan Medical Reserve Corps is dedicated to ensuring hometown security through recruiting, pre-credentialing, training, organizing and utilizing volunteers to prepare for and respond to public health emergencies and to promote healthy living throughout the year. Contributed funds are used to recruit and train volunteers. The proposed contribution is \$500.

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 proposed contribution is \$10,000.

Families4Fauquier

Families4Fauquier provides affordable activities and entertainment for families in Fauquier County and is dedicated to promoting community involvement by uniting and connecting local area families. The proposed contribution is \$2,000.

Leadership Fauquier

The mission of this newly organized not-for-profit is to engage, equip, and connect existing and emerging leaders in Fauquier County by increasing non-profit volunteerism, civic participation and upward career mobility. The proposed contribution is \$3,000.

Boys & Girls Club of Fauquier

The mission of the Boys & Girls Club is to help boys and girls of all backgrounds, especially those in need, to build confidence, to develop character and to acquire the skills needed to become productive, civic-minded, responsible adults. The proposed contribution is \$10,000.

Piedmont Symphony Orchestra

The Piedmont Symphony Orchestra (PSO) holds five concerts each year at Highland School. PSO also offers an educational outreach program designed for Fauquier County Public and Private Schools called PSO Music Mentors. The proposed contribution is \$1,000.

Bluemont Concert Series

The Town Manager recommends funding in the amount of \$10,000 for FY 2017. The Town applies annually for a \$5,000 Local Government Challenge Grant through the Virginia Commission for the Arts, and matches that amount with \$5,000 from the General Fund.

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. The proposed contribution is \$10,000.

Warrenton-Fauquier Heritage Day

The mission of Warrenton-Fauquier Heritage Day is to produce an appreciation and education of the area's heritage while providing a sense of community to new and old residents. The requested funding is used to support a one day event. The proposed contribution is \$2,500.

First Night Warrenton

Bluemont Concert Series hosts this annual New Year's Eve family friendly event. The proposed contribution for First Night Warrenton is \$5,000. This amount includes the annual First Night Registration Fee.

Main Street Program

The Main Street Program function is provided by a recently reorganized community non-profit organization committed to building a Main Street District of thriving business, 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. Support for the Program for Fiscal Year 2018 is proposed to remain at \$20,000. The non-profit organization will be required to provide quarterly reports of its activities to Council as well as an annual review of its finances by a Certified Public Accountant.

Warrenton Caboose

The Warrenton Greenway Trail was completed in 1998 as part of the Rails to Trails program. In observance of the heritage of this area, a caboose was positioned at the site and various railroad artifacts have been purchased for display both inside the caboose and along the trail. Volunteers repair and maintain the caboose, shanty building, railroad track, the No. 10 switch, track signal and turntable basin. The goal is to promote an active interest in the history of railroading in Warrenton. The proposed contribution is \$1,000.

Lord Fairfax Community College

The FY 2017 adopted budget provided \$7,500 to fund two scholarships for one year for Town of Warrenton residents. The program consists of an academic scholarship and a work force scholarship. This scholarship will be funded at the same level for FY 2018. As part of an agreement to extend water service to a property located outside the Town's service area, the owner of that property agreed to provide a \$5,000 contribution in support of a charitable organization of the Town Council's choosing. The Town Council agreed that the \$5,000 go to the LFCC Scholarship. This funding was provided to the LFCC Foundation in March 2017 and is held in trust to fund the Scholarship for the FY 2018 year. Therefore, the Town's contribution to the Scholarship for this fiscal year will be \$2,500.

DEBT SERVICE

Program Description

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

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Principal	\$176,679	\$520,555	\$448,000	\$458,000	\$10,000
Interest	3,656	204,261	188,290	175,298	(12,992)
Fiscal Charges	0	300	300	300	0
Total	\$180,335	\$725,116	\$636,590	\$633,598	(\$2,992)

Budget Request / Analysis

Debt service payments totaling \$633,598 are budgeted for FY 2018, which is \$2,992 less than FY 2017. The debt service is for bonds issued in support of the construction of Recreation facilities.

In FY 2013, the Town advance refunded its Series 2006A bond to achieve debt service savings through 2032 of \$1,057,848. The Town owed principal and interest payments on the Series 2006A bond through August of 2016. The Debt Service Schedule for the 2012 Refunding Bond was structured with lower initial principal payments through that date in order to equalize the annual requirements. The annual savings realized is approximately \$49,000 - \$50,000. Principal and interest payments totaling \$633,598 are budgeted for FY 2018. Service fees of \$300 are also included.

TRANSFERS

Program Description

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

Budget Summary

Transfer to	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Capital Projects	\$297,160	\$369,000	\$876,153	\$1,459,661	\$583,508
Recreation Fund	1,048,747	0	0	0	0
Total	\$1,345,907	\$369,000	\$876,153	\$1,459,661	\$583,508

Budget Request / Analysis

The FY 2018 requested transfer to the Capital Projects fund represents the difference between the total estimated costs of the projects budgeted in the Capital Projects Fund and the funding to be received under the VDOT Revenue Sharing program. The entire amount of \$1,459,661 will be taken from the General Fund Unassigned fund balance.

The Recreation Fund was dissolved as of June 30, 2015. All expenditures associated with Parks and Recreation are now included in the General Fund, eliminating the need for a transfer.



CAPITAL PROJECTS FUND

Budgeted amounts for the Capital Projects Fund are derived from the first year of the five year Capital Improvement Program (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. The threshold for inclusion in the CIP is \$10,000. The CIP document is presented to the Planning Commission for comments prior to being forwarded to Council each year. The Planning Commission typically conducts a work session followed by a Public Hearing on the CIP. Their recommendations are considered by the Town Manager in the formulation of the budget for the Capital Projects fund. The CIP document may be found under a separate tab in the proposed budget binder.

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

SUMMARY OF CAPITAL PROJECTS BUDGET

<u>REVENUE</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Proposed</u>
State Revenue	\$ 217,000	\$ 71,500
Transfers In	876,153	1,459,661
Total Capital Projects Revenue	\$ 1,273,153	\$ 1,531,161
<u>EXPENDITURES</u>		
Capital Outlay	\$ 605,753	\$ 716,770
Capital Projects	667,400	814,391
Total Capital Projects Expenditures	\$ 1,273,153	\$ 1,531,161

Capital Projects Revenue

Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Local Revenue	\$0	\$0	\$0	\$0	\$0
State Revenue	51,617	136,235	217,000	71,500	(145,500)
Transfers	297,160	369,000	876,153	1,459,661	583,508
Use of Fund Balance	0	0	180,000	0	(180,000)
Total Capital Project Fund Revenue	\$348,777	\$505,235	\$1,273,153	\$1,531,161	\$258,008

State Revenue

Virginia Department of Transportation Revenue Sharing

This program provides funding to construct or improve the highway systems within the Town limits. Local funds are matched with State funds for qualifying projects.

Transfers

Transfer from General Fund

This is the balance of funding necessary to implement the requirements of the annual CIP program. For FY 2018, the \$1,459,661 transfer is entirely funded by the use of fund balance in the general fund.

Capital Projects Expenditures

Program Description

The Capital Improvements Fund represents the best efforts of the Town's citizens, Council, staff, and Planning Commission to identify and recommend major construction projects over the next five years for the Town in a manner which allows for long-range fiscal planning utilizing available tax dollars. 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, and greater detail may be reviewed in the CIP document itself.

Description	FY 2018 Proposed
VDOT Broadview Avenue Improvements	\$25,000
Mast Arm Conversion – Blackwell Rd / Lee Hwy	170,000
Trailer Mounted Emergency Generator	25,000
Gold Cup Sidewalk	110,000
Franklin Street Sidewalk	81,391
Backhoe Replacement	135,000
Refuse Truck Replacement	165,000
Pickup Truck Replacement	54,000
Traffic Signal Interconnectivity – Lee Hwy	85,000
Police Cruiser Replacement	80,770
P25 Compliant Radio System Upgrade	152,000
WARF Fitness Equipment Replacement	30,000
WARF Facility Upgrades	33,000
Parking for Soccer Fields	20,000
WARF Roof	105,000
UV Disinfection – Pools	35,000
Rady Park Grading / Drainage	15,000
Skate Park Enhancements	20,000
Eva Walker Park Fence	115,000
Permit Tracking Software	75,000
Total Expenditures	\$1,531,161

Project Descriptions

VDOT Broadview Avenue Improvements (\$25,000): This project is to improve safety and access management to businesses located on Broadview Avenue. The project is the Town's primary priority with the VDOT Six-Year Improvement Plan with the current design effort being funded under Urban Program at 2% cost share.

VDOT Revenue Sharing Mast Arm Conversion – Blackwell Road/Lee Hwy. (\$170,000):
This project is to provide supplemental funding for the VDOT Revenue Sharing project to

convert the traffic signals at the intersection from span wire to mast arms. The supplemental funding is needed to cover additional construction costs due to having to go with four instead of two signal poles with arms along with upgraded support apparatus.

Trailer Mounted Emergency Generator (\$25,000): This project is for a trailer mounted 100KW generator for emergency power outages to provide backup power for the Town Shop or transported to other critical infrastructure such as the Town's drinking water wells. The project is a 50/50 cost share with the Utility fund to be a Town asset for emergency situations.

Gold Cup Drive Sidewalk (\$110,000): This project consists of construction of a five-foot sidewalk and curbing drainage on one side of the street on Gold Cup Drive from Gay Road intersection to Rappahannock Street.

Franklin Street Sidewalk (\$81,391): Project consists of construction of replacement and new sidewalk along Third Street and Franklin Street from Beckham to the Fifth Street parking lot. The new sidewalk will be along the north side of Franklin Street from Green Street to Fifth Street. A portion of the new sidewalk will require retaining wall with guard rail. Town staff will work with Dominion Virginia Power on the installation of standard street lighting.

Backhoe Replacement (\$135,000): Replacement of the existing backhoe with an equivalent model. The existing backhoe will be twenty-three years old in 2017 and due for replacement. This unit is the primary unit for daily operations in the maintenance of roads, cemetery, and snow.

Refuse Truck Replacement (\$165,000): Purchase of a new 30-yard side loading refuse collection truck. The 30-yard size is large enough that excessive trips to the dump are not required, yet small enough to maneuver in old Town.

Pickup Truck Replacement (\$54,000): Replacement of two existing pickup trucks. The existing trucks will be twenty and twenty-one years old in 2017 and are used for street maintenance and the recycling collection program. Both units have extensive rust damage to the body and frames.

Traffic Signal Interconnectivity – Lee Hwy. (\$85,000): This project is for the interconnection of the Broadview Avenue and Lee Hwy. traffic signals to facilitate coordination and traffic flow. The project will enable the signals to communicate with each other and be remotely monitored and adjusted.

Police Cruiser Replacement (\$80,770): This project is for the capital lease purchase of six vehicles in 2018 and six vehicles in 2019. The yearly lease cost for six vehicles over a 5-year lease is less than the purchase of two vehicles per year which has been the departmental practice. At the end of the 5-year lease, ownership reverts to the WPD without any additional costs.

P25 Compliant Radio System Upgrade (\$152,000): Fauquier County is in the process of transitioning to the P25 compliant radio system and in order for the Warrenton Police Department portable and cruiser radios to transmit on the new system, they will need to be reprogrammed to the P24 compliant bands. Motorola will only support our model portable radio for four more years and has stopped supporting the cruiser radios, so re-programming won't be feasible for them.

WARF Fitness Equipment Replacement (\$30,000): Project consists of the replacement of ten of the current twenty-four spin bikes and the replacement of five upright and recumbent bikes. The upright and recumbent bikes are ten years old and need replacing and the spin bikes need replacing.

WARF Facility Upgrades (\$33,000): This project includes the installation of a permeable rubberized non-slip surface (Aquaflex) in the play area of the leisure pool. The Aquaflex surfacing will last a minimum of three years, saving on maintenance costs and increasing slip resistance. This project also includes the replacement of the Parks and Recreation phone system. The current phone system has been declared at the end of its life by the manufacturer and they will no longer service the system.

Parking Improvements for Soccer Fields (\$20,000): This project is for additional parking at the WARF complex. Due to the large number of soccer games scheduled, there is little parking available for the WARF, hockey, skate park and Fun for All Playground users. This initiative will provide for using gravel to expand the parking available in the fields area off Rt. 211.

WARF Roof (\$105,000): This project consists of the replacement of the flat membrane roof at the WARF. The original roof was poorly installed and has leaked continually since the building was opened. Repeated attempts at repair have been made since the building has been opened.

UV Disinfection – Pools (\$35,000): This project is for the addition of ultraviolet light disinfection to the pools at the WARF. Ultraviolet light disinfection has been the industry standard for many years. UV disinfection was part of the original design of the WARF, but was eliminated to save on construction costs. UV is used as a supplemental disinfection system in combating recreational water illnesses such as e coli, cryptosporidium and giardia. It also has the potential to improve air quality and reduce chemical use.

Rady Park Grading/Drainage (\$15,000): This project involves brush removal, drainage and grading at Rady Park. There is a wooded area between the trail and the open fields that has a lot of overgrowth, standing water and trees in poor condition. Proper drainage and grading, as well as removing the overgrowth and planting grass would make this into usable park space.

Skate Park Enhancements (\$20,000): The project is for adding an additional obstacle at the skate park which will provide a challenge to those at a more advanced skill level. The current park is ten years old and needs to provide continuing challenges to the athletic skater in order

to keep users coming back instead of seeking other inappropriate areas of the Town for their use. Current obstacles are in need of new panels to restore to an acceptable state.

Eva Walker Park Fence (\$115,000): The project is for the replacement of the fence at Eva Walker Park. The fence that is currently at the park is of unknown age and is a slat style fence that is made of concrete. The parts for the fence are not readily available and the style of fence is out of character with the neighborhood and the improvements that have already been made at the park.

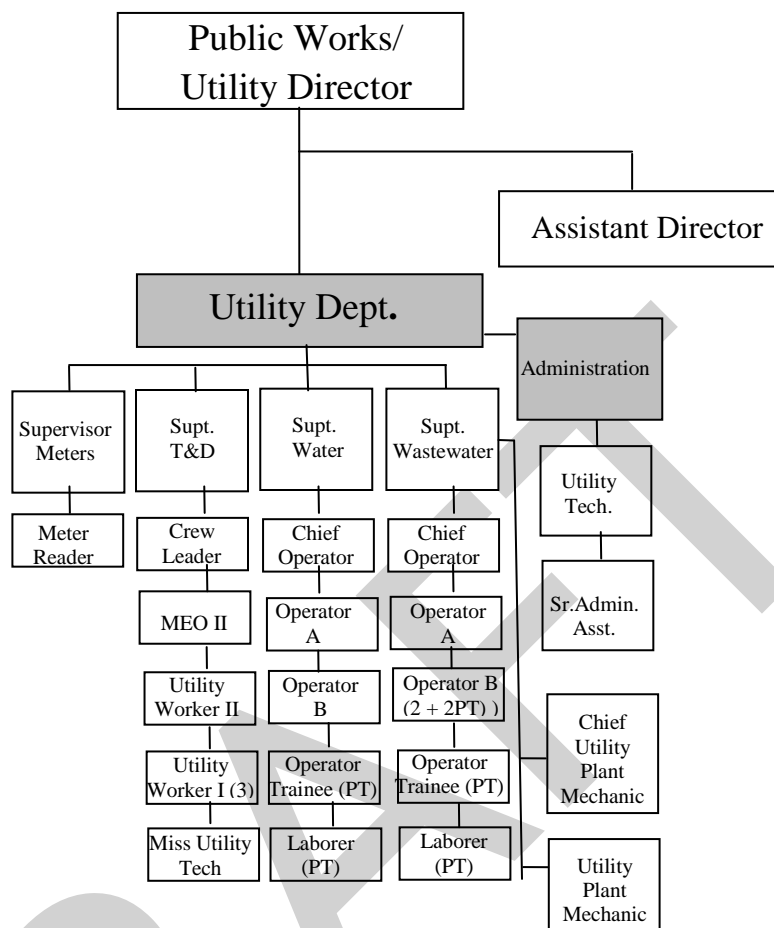
Permit Tracking Software (\$75,000): This project is for the purchase of permit tracking software. Between 2012 and 2015, the department has seen an increase in permits by 66%, with no additional staff or software for tracking permits. Community Development currently has nothing available to them for the tracking of permits and zoning cases.

WATER AND SEWER OPERATING FUND

The Town's Water and 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 4,876 residential and business accounts (an increase of 19 accounts in the past year), plus other miscellaneous charges. The Town conducted a rate study in Fiscal Year 2016. The proposed service rates included in this budget are based on the results of that study.

SUMMARY OF WATER AND SEWER OPERATING BUDGET

<u>REVENUE</u>	<u>ADOPTED FY 2017</u>	<u>PROPOSED FY 2018</u>
Permits, Fees & Licenses	\$ 9,000	\$ 10,000
Revenue from the Use of Money/Property	154,500	177,000
Charges for Services	5,193,605	5,348,138
Miscellaneous Revenue	44,299	27,000
Grant Revenue	0	0
Non-Revenue Receipts	0	0
Transfers & Reserves	0	0
Total Water and Sewer Revenue	\$ 5,401,404	\$ 5,562,138
 <u>EXPENSES</u>		
Water Supply, Distribution & Billing	\$ 1,970,674	\$ 1,980,807
Wastewater Treatment	1,754,030	1,780,063
Administration	800,820	848,782
Debt Service	103,119	128,310
Subtotal Operations	\$ 4,628,643	\$ 4,737,962
Transfers	772,761	824,176
Total Water and Sewer Expenses	\$ 5,401,404	\$ 5,562,138



Goals

Key Projects

Water and Sewer Operating Revenues

The following table provides a multi-year comparison of Water and Sewer Revenues by Source.

Source	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Local Revenue					
Permits, Fees & Licenses	\$8,094	\$9,980	\$9,000	\$10,000	\$1,000
Use of Money & Property	151,120	165,515	154,500	177,000	22,500
Charges for Services*	3,539,535	3,867,200	5,193,605	5,348,138	154,533
Recoveries & Rebates	<u>28,158</u>	<u>59,133</u>	<u>44,299</u>	<u>27,000</u>	<u>(17,299)</u>
Total Local Revenue	\$3,726,907	\$4,101,828	\$5,401,404	\$5,562,138	\$160,734
State Revenue	\$0	\$0	\$0	\$0	\$0
Non-Revenue Receipts**	\$91,200	\$222,200	\$0	\$0	\$0
Transfers & Reserves	84,150	141,319	0	0	0
Total Water & Sewer Revenue	\$3,902,257	\$4,465,347	\$5,401,404	\$5,562,138	\$160,734

* The Town conducted a rate study in Fiscal Year 2016. This budget projects a planned increase in rates effective July 1, 2017 based on the results of the study.

** Effective July 1, 2017 the Water and Sewer Fund was split into an Operating and a Capital Fund. Non-revenue receipts are now recorded in the Water and Sewer Capital Fund.

Local Revenue

Permits, Fees & Licenses - Town staff conducted a review of fees charged by nearby utility service providers and have proposed slight increases in the Town's fee structure. The Town charges a non-refundable service fee for establishing new utility accounts. The proposed increase in this rate is \$5.00. Security deposits are refundable, but are often applied to unpaid bills. The increase in the amount is consistent with the rate increases to ensure adequate deposits are available to cover the delinquencies. The following table shows proposed fees, which are included in the formulation of this budget, compared to the current fees:

Fee Type	Current Fee	Proposed Fee
New Service	\$20	\$25
Security Deposit	\$50 residential / \$100 commercial	\$150 residential & commercial
Late Fee	\$5	\$5
Reconnection Fee	\$40	\$40

Use of Money & Property - The Town owns two residential properties located on the water plant and reservoir grounds. These properties are leased to Town employees at market rates and adjusted annually based on the Consumer Price Index. The Town also generates revenue from leasing space on the Town's water tower to telecommunications companies. Currently there are four major carriers.

Interest and investment revenue fluctuates with the general economic conditions and the level of utility fund cash balances. The FY 2018 estimate has been increased from FY 2017 based on prior year actual receipts and prevailing market conditions.

Charges for Services - The Town currently provides water and sewer services to approximately 4,876 residential and commercial customers, up 19 customers since last year, with a number of the accounts being reactivations of prior dormant accounts in the Town and within its service areas. The estimated revenue for Charges for services in the budget, based on the recommended increase in the Water and Sewer rate study conducted by MFSG, is \$5,348,138, or 96.2% of the water and sewer budget.

The following rate schedule is proposed for July 1, 2017:

Base Charge (for usage < 2,000 gallons):

Meter Size	IN TOWN RATES			OUT OF TOWN RATES		
	Water	Sewer	Total	Water	Sewer	Total
5/8	5.32	11.99	17.31	7.98	17.99	25.97
¾	7.98	17.99	25.97	11.97	26.99	38.96
1	13.30	29.98	43.28	19.95	44.98	64.93
1 ½	26.60	59.95	86.55	39.90	89.95	129.85
2	42.56	95.92	138.48	63.84	143.92	207.76
3	93.10	209.83	302.93	139.65	314.83	454.48
4	167.58	377.69	545.27	251.37	566.69	818.06
6	345.80	779.35	1,125.15	518.70	1,169.35	1,688.05
8	425.60	959.20	1,384.80	638.40	1,439.20	2,077.60

Commodity Rate, per 1,000 gallons

Usage	Water	Sewer	Total	Water	Sewer	Total
> 2,000	5.31	8.72	14.03	7.97	13.08	21.05

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. Deferred revenue is recognized annually for the Warrenton Training Center waterline maintenance. 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. Recoveries and rebates represent 0.5% of the water and sewer operating budget.

Water and Sewer Operating Expenses

During calendar year 2016, the water and wastewater treatment plants continued to operate within treatment parameters as issued by the Virginia Departments of Health and Environmental Quality. The water treatment plant produced an average of 1,186,000 gallons of potable water per day and the wastewater treatment plant treated approximately 1,730,000 gallons of sewage per day. Both numbers are below the 2.5 million gallon per day permitted for the wastewater plant and the 2.3 million gallons per day (MGD) permitted for the water resources. Sewer flows were slightly below 2015, but the reduction is primarily due to below normal precipitation years with only 37 inches total of precipitation. The department initiated the sewer line rehabilitation project during the later part of the calendar year, which was too late to have any impact to date. The economy continued to be moderate in calendar year 2016 with 9 new accounts added. There is the potential for significant growth in the coming year with Warrenton Crossing, the Rizer property, and Alwington (out of town commitment) under review or awaiting final approval. Although the past year experienced below normal precipitation, as stated above, no water transfers were needed from the Airlie Reservoir.

The overall operating budget of \$5,562,138 is an increase of \$160,734 over FY 2017. Capital outlay, chemicals, and electrical costs for water/sewer treatment continue to be major expenditures. Part of the proposed budget is a moderate rate increase as recommended by the 2016 rate study.

The water treatment plant is in its seventh year of operation since the upgrade to 3.4 million gallons per day capacity. Operations continue to be smooth without any significant issues. Staff this past year activated a discharge permit, which allows a significant portion of the filter backwash water to be returned to the reservoir, a double positive impact of reducing flow to sewer plant and conserving water in the reservoir. A primary issue of concern has been the reduction of trihalomethanes in the storage and distribution system, which was addressed this past year with the completion of mixing systems in the tanks. The data to date is very positive, but needs additional time for complete evaluation. Water production for the past three years has remained fairly constant. There is the potential for increase in demand in the coming year with the developments mentioned above.

The Meter Reading continues to function with only two personnel. Over 90% of the meters are remotely or touch read. The remaining manual read meters are being addressed on an individual basis under the operating budget. The metering system is accurate with unaccounted water remaining at an acceptable level at 10% for the past year. New construction units are installed with the latest devices with the material cost of the meter paid by the builder through the meter fee. It is recommended that the meter material fee be raised to account for the administrative handling by finance.

The Transmission and Distribution (T&D) section continues to be a maintenance related budget with primary focus on servicing of the extensive and aging water-sewer system and new construction only for minor projects. The program includes more flushing of waterlines, adherence to the established schedule for annual and biannual valve & hydrant inspection and more frequent cleaning of sewer lines to prevent backups. With the receipt of a replacement

CCTV for sewer line inspections, the section will be conducting a parallel effort to the Inflow and Infiltration rehabilitation contract work to identify inflow and infiltration sources. The most recently renewed wastewater treatment plant (WWTP) permit requires the development and implementation of a collection maintenance and operation maintenance (CMOM) program by August 1, 2017. This program will be administered by the T&D section.

Budget Summary

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Meter Reading	\$182,029	\$202,226	\$263,975	\$263,975	\$0
Source of Supply	916,434	901,871	1,030,947	1,054,858	23,911
Transmission & Distribution	609,804	633,664	675,752	661,972	(13,780)
Wastewater Treatment	1,775,761	1,642,276	1,754,030	1,780,063	26,033
Water & Sewer Administration	737,524	702,976	800,820	848,784	47,964
Debt Service	0	109,447	103,119	128,310	25,191
Capital	516,652	544,568	0	0	0
Transfers	0	0	772,761	824,176	51,415
Total Water & Sewer Expenses	\$4,738,204	\$4,737,028	\$5,401,404	\$5,562,138	\$160,734

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

Water and Sewer Operating - Meter Reading

Program Description

The Meter Reading Division is responsible for the reading of 4,876 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. Staffing level is being maintained at pre-1990 level with the 2 current employees in this budget. Staff members are trained and help support public works in snow removal operations when needed.

Current Staffing

The Meter Reading Division is staffed by two full-time employees.

Budget Summary

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$120,961	\$120,200	\$137,165	\$132,220	(\$4,945)
Operating	61,068	82,026	126,610	131,555	4,945
Capital	0	0	200	200	0
Total	\$182,029	\$202,226	\$263,975	\$263,975	\$0
Staffing Summary					
Full-time	2.0	2.0	2.0	2.0	0.0

Budget Request / Analysis

The proposed budget for the meter reading division remains level with the prior fiscal year. The section continues to function with only two personnel. The decrease in the personnel category reflects revised estimates based on historical costs and current staffing. Over 90% of the meters are remote or touch read. The remaining manual read meters are being upgraded on an individual basis under the operating budget. With the predominant automated meters errors in monthly billings are very rare. A significant portion of the budget is in the "meter and supplies" line, which is for new construction units that are installed with the latest radio remote read devices with the material costs paid by the builder through the meter fee. Also included in the budget is for the replacement of approximately 250 existing auto read meters that are 10 years and older with an estimated useful battery life of 10 – 15 years.

Water and Sewer Operating - Source of Supply

Program Description

The Source of Supply Division is responsible for the safe and efficient operation of the Town's municipal water supply assets, which consist of the water treatment plant, wells and reservoirs. The operation strives to provide safe, aesthetically pleasing, and pleasant tasting water to meet the demands of the Town's over 4,876 residential and commercial customers. Included in the budget is the continued long-term maintenance and servicing of the three water storage tanks (a 200,000 gallon backwash tank at the treatment plant, the 500,000 gallon elevated tank, and the 1,500,000 gallon ground storage tank).

Current Staffing

The Source of Supply Division is staffed by five full-time employees, supplemented by part-time staff.

Budget Summary

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$445,147	\$445,977	\$486,131	\$515,281	29,150
Operating	471,287	455,894	534,816	532,077	(2,739)
Capital	0	0	10,000	7,500	(2,500)
Total	\$916,434	\$901,871	\$1,030,947	\$1,054,858	\$23,911
Staffing Summary					
Full-time	5.0	5.0	5.0	5.0	0.0
Part-time	3.0	3.0	3.0	3.0	0.0

Budget Request / Analysis

The FY 2018 budget reflects an increase of \$23,911, or 2.3% more than the FY 2017 budget. The increase in personnel costs is due to a need for additional part-time employees to man the plant under the two man rule promulgated by the Virginia Department of Health (VDH) and to assist with maintenance related activities at the plant and wells. With Well #3 scheduled to be placed back in operation, the ion exchange treatment process will require additional monitoring and operator servicing.

Energy and chemicals continue to be major cost elements. There is scheduled replacement of granular activated carbon in the FY 2019 budget cycle. General maintenance and the replacement of components are on the rise due to age and the rise in costs for parts and instrumentation, but expenditures are held down by staff performing more maintenance in house and only contract out as needed. Both the Airlie and the Warrenton Reservoir Dams are expected to be operating under renewed 5 year permits with no modifications to the dams or emergency spillways. During the year staff will be working with consultants to update the Town's Department of Environmental Quality (DEQ) mandated Strategic Water Supply Plan, which is the first iteration of the original plan approved in 2013. This plan must be updated every five years. The staffing level is set at the minimum accepted by VDH, which requires a

minimum of two operators per shift of operation for plants licensed at 2 MGD or greater. At least one of the operators on duty must have a class II license (equal or greater to the classification of the facility).

The plant continues to operate 12 to 16 hours per day, 365 days a year. In 2016, the plant produced an average of 1,186,000 gallons a day of water of good quality, as evidenced by the sixteenth annual “Consumer Confidence Report” scheduled for mailing to all customers in June 2017 in accordance with federal law. There were no permit violations or VDH inspection deficiencies during 2016. EPA is constantly evaluating unregulated contaminants for consideration to add to the treatment requirements (example is the chromium 6 article in local paper); in the proposed budget there are no new contaminants requirements anticipated.

Revisions to DEQ discharge standards for plant water back to the reservoir and problem solving by staff have allowed between 1.5 and 2.0 million gallons per month of filter backwash water to be returned to the reservoir. This action had a double benefit by recharging the reservoir (particularly during dry conditions) and reducing flow to the wastewater treatment plant to be treated, saving on treatment cost and capacity.

Water and Sewer Operating - Transmission & Distribution

Program Description

The Transmission and Distribution Division is responsible for the daily maintenance, repair and servicing of over 86.3 miles of water line and 68.5 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, 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 over 732 fire hydrants and valves are serviced annually. To ensure inadvertent disruption to service due to accidents the section responded to 2,635 calls in calendar year 2016 for Miss Utility field locates of water and sewage lines as mandated by law. The disinfection by product rule, and the fact that Warrenton serves a population greater than 10,000, requires a more frequent flushing of the far reaches of the system (especially dead-end lines).

Current Staffing

The Transmission and Distribution Division is staffed by seven full-time employees.

Budget Summary

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$479,945	\$486,047	\$512,148	\$508,611	(\$3,537)
Operating	129,859	147,017	160,104	149,861	(10,243)
Capital	0	600	3,500	3,500	0
Total	\$609,804	\$633,664	\$675,752	\$661,972	(\$13,780)
Staffing Summary					
Full-time	7.0	7.0	7.0	7.0	0.0

Budget Request / Analysis

The FY 2018 budget of \$661,972 for the Transmission and Distribution section shows a decrease of \$13,780 compared to FY 2017. This department represents 11.7% of the Water and Sewer Operating Fund budget. The personnel category projects a decrease of \$3,537 due to personnel changes within the department.

The section 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 & hydrant inspections and more frequent cleaning of sewer lines to prevent backups. With the receipt of a replacement CCTV for sewer line inspections, the section will be conducting a parallel effort to the Inflow and Infiltration (I&I) rehabilitation contract work to identify inflow and infiltration sources. The most recently renewed wastewater treatment plant (WWTP) permit requires the development and implementation of a collection maintenance and operation maintenance (CMOM) program by August 1, 2017. This program will be administered by the T&D section.

Water and Sewer Operating - Wastewater Treatment

Program Description

The Wastewater Treatment Plant Division is responsible for processing of the community's sanitary sewage to regulatory standards to protect the downstream environment and user, be that user a private property owner, another city or district, an industry, or a fisherman. 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 tested daily. Annual testing includes the Toxic Monitoring Program, 503 Sludge monitoring, and the annual Pretreatment report submitted by Town staff.

The wastewater plant is rated as a 2.5 MGD Class I facility. Treatment begins at the head works with screening and grit removal, followed by primary sedimentation. The second process involves biological treatment with Rotating Biological Contactors (RBC's). 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, the section is also responsible for the operation and maintenance of eight sanitary sewer pump stations.

Current Staffing

The Wastewater Treatment Plant Division is staffed by seven full-time employees, supplemented by part-time staff.

Budget Summary

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$626,080	\$644,369	\$684,379	\$695,979	\$11,600
Operating	1,149,681	997,308	1,065,151	1,079,584	14,433
Capital	0	599	4,500	4,500	0
Total	\$1,775,761	\$1,642,276	\$1,754,030	\$1,780,063	\$26,033
Staffing Summary					
Full-time	7.0	7.0	7.0	7.0	0.0
Part-time	3.0	3.0	3.0	3.0	0.0

Budget Request / Analysis

The FY 2018 budget of \$1,780,063 represents an increase of \$26,033 compared to the FY 2017 budget. The increase in the personnel category reflects the impact of merit increases.

Costs for chemicals, energy and general repairs continue to be major portions of the budget. The plant is meeting the nutrient reduction goals/limits set by DEQ with no problems at this time, but it requires additional chemicals and electricity to pump to the de-nitrification filters. Staff has been working in recent years to replace many of the plant components nearing their 25 year life. A major effort in this area is the replacement of the rotating biological contactors (RBC's) with completion of the design in FY17 and the contracting for replacement in the proposed capital outlay program. This will be a major improvement to the plant performance and efficiency with potential expansion of the permit in 2021. The Town being in the Chesapeake Bay watershed continues to present challenges to the discharge from the wastewater treatment plant.

The Town's wastewater treatment plant (WWTP) processed and treated an average of 1,730,000 gallons of sewage per day in 2016, this is down from the past two years due to the below normal precipitation with the lower water table reducing infiltration. With a return of wetter conditions I&I will increase and to counter the Town initiated the first year of a three year effort to rehabilitate sewer lines to prevent the intrusion of ground and surface water. Development growth continued to be slow during the past year with only a net increase of 19 new residential and commercial accounts added. FY 2018 is poised to potentially experience a growth trend with Riser, Warrenton Crossing and Alwington subdivisions scheduled to be under construction and several other large projects in the preliminary planning stage, all to impact sewer plant capacity. The biggest impact is the potential rezoning of Walker Drive properties.

The DEQ continues to allow the plant to be staffed with only two eight-hour shifts for a 24 hour per day operation. During the hours of midnight to 8:00 a.m., the plant is in operation, but unmanned with operators on call in the event of an emergency. As the community continues to grow and discharge limits continue to be more restrictive, a third shift eventually will be required sometime in the future, but not anticipated in this budget.

Water and Sewer Operating - Administration

Program Description

This Administration Division budget houses costs associated with the Public Utilities Administrative Section, which is the responsibility of the Director of Public Utilities, a licensed engineer. The Director manages the overall operation of water production and wastewater treatment, water line construction and maintenance, meter reading, and 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. The department is responsible for the management and oversight of the other utility budgets. It is the mission of 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 Division is staffed by four full-time employees. Also included are the allocations of general government salaries that support the water and sewer operating fund.

Budget Summary

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$509,298	\$501,578	\$582,108	\$631,976	\$49,868
Operating	225,613	191,044	218,712	216,308	(2,404)
Capital	2,613	10,354	0	500	500
Total	\$737,524	\$702,976	\$800,820	\$848,784	\$47,964
Staffing Summary					
Full-time	4.0	4.0	4.0	4.0	0.0

Budget Request / Analysis

Included within the budget are 100% of the salaries of a Senior Administrative Assistant and Utilities Technician and a portion of the salaries and expenses of the Town Manager, Finance and Human Resources Director, Accounting Supervisor, Public Works/Utility Director, Assistant Director, and Account Technicians, all of whom are full time town employees, but are only budgeted for that portion of their work performed for the Water and Sewer Operating Department. This year 25% of the salary for an Administrative Assistant from the Public Works facility is being allocated to this department to reflect her efforts in supporting Public Utilities workloads, especially the Transmission and Distribution department. The dollar value associated with this allocation is \$18,610. The remaining increase reflects anticipated merit increases and a \$5,000 increase in wages for extra help.

Staff continues to work with consultants in improving plant operations, identifying infrastructure upgrades and evaluating the water and sewer system impacts of proposed developments on the system's ability to serve. Staff also continues to monitor and investigate operational improvements to enhance nutrient removal in the WWTP treatment process - the objective being

to not just meet the permit limits, but also to generate nutrient credits for the Town's MS4 Stormwater mandate and potential permit expansion in the 2021 permit renewal cycle. This past year the plant again easily met the 4 mg/l nitrogen limit and generated potential nutrient credits to be applied to the MS4 Stormwater Program. Currently there is no demand for credits in the Rappahannock River basin, but the Town may be able to use the credits towards the DEQ requirements for water quality improvements under the General Fund MS4 program.

Staff continues to evaluate operations to balance production, staffing and demands to better serve the Town. A main objective of staff is to ensure there are adequate utility resources to support community build-out requirements. The focus is on increasing sources of water and recapturing of sewer capacity. The professional services line item is for outside consulting assistance to help resolve problems and help with identifying future program requirements primarily for the water and wastewater treatment plant operations. There is an additional \$20,000 requested in the professional services line to update the DEQ mandated Town Strategic Water Supply Plan, which was approved in 2013 and is required to be updated every 5 years.

With the utility service population over 10,000, the water and sewer system is a "medium" category system with the associated regulatory demands and requirements on staff resources. Staff will continue to stay current with the latest operational technology and ahead of regulatory changes, along with positioning the Town to take advantage of any grant funding, as it may become available.

Water and Sewer Operating - Debt Service

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

A General Obligation bond was issued in 2016 in the principal amount of \$5,020,000. During FY 2018, two interest-only payments will be due totaling \$128,310.

Water and Sewer Operating - Transfers

The surplus of operating revenues over expenses is transferred to the Water and Sewer Capital Fund. The proposed transfer for FY 2018 is \$824,176.



WATER AND SEWER CAPITAL FUND

The Town's Water and Sewer Capital Fund is an enterprise fund that accounts for the collection of availability fees and the costs associated with capital improvements.

SUMMARY OF WATER AND SEWER CAPITAL BUDGET FOR PROPOSED AND LAST FISCAL YEAR

<u>REVENUE</u>	<u>ADOPTED FY 2017</u>	<u>PROPOSED FY 2018</u>
Miscellaneous Revenue	\$ 0	\$ 12,157
Availability Fees	340,000	850,000
Proceeds from Indebtedness	1,051,076	3,103,667
Transfers	772,761	824,176
Total Water and Sewer Capital Revenue	\$ 2,163,837	\$ 4,790,000
<u>EXPENSES</u>		
Capital Projects	\$ 2,163,837	\$ 4,790,000
Total Water and Sewer Capital Expenses	\$ 2,163,837	\$ 4,790,000

Water and Sewer Capital Revenue

Miscellaneous Revenue

This category accounts for investment earnings from the Water and Sewer Bond Proceeds invested with the Virginia State Non-Arbitrage Program. While rates are increasing, funds will be drawn down at a faster rate as progress continues on budgeted capital projects.

Availability Fees

Water and Sewer one-time availability fees for new and rehabilitated construction are recorded in this line item. With the implementation of GASB 33 in FY 2001, availability fees are recorded as non-revenue receipts and added to net position.

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 of \$510,000 for FY 2018 based on expected activity related to proposed developments. There are a number of potential projects in the initial planning stage, which if accelerated could provide additional revenue. This category represents 17.7% of the water and sewer capital budget.

Proceeds from Indebtedness

The Town issued a bond in FY 2016 for \$5,020,000 through Middleburg Bank to finance several years of planned capital improvements in the Water and Sewer Capital Fund. The \$3,103,667 represents the amount anticipated to be drawn down during FY 2018.

Transfers

This amount represents a transfer from the Water and Sewer Operating Fund for the excess of revenue over expenses. The proposed transfer for FY 2018 is \$824,176.

Water and Sewer Capital Fund - Capital Projects

This budget includes funds for construction of new projects or rehabilitation work under the Council's guidelines for capital projects and purchases of new equipment for water and sewer operations. The Water and Sewer Capital Budget for FY 2018 is \$4,790,000, summarized as follows:

Project	Amount
Water Treatment Plant Expansion	\$850,000
Sewer Line Rehabilitation – Inflow and Infiltration	800,000
Wastewater Treatment Plant Upgrades (RBC Replacement)	3,000,000
Trailer Mounted Emergency Generator	25,000
Water Treatment Plant Vehicle Replacement	28,000
Transmission and Distribution Vehicle Replacement	33,000
Equipment Shed for Flusher Truck and Trailer	54,000
Total	\$4,790,000

Project Descriptions

WTP Physical Plant Expansion (\$850,000): This project consists of design and construction of a 75' x 40' chemical building to house the chemical treatment apparatus for the Water Treatment Plant. The building will provide storage of chemicals and feed systems for a new sodium hypochlorite system to replace gaseous chlorine for disinfection, caustic soda to replace soda ash, new fluoride storage and a corrosion inhibitor feed system. Also includes upgrades to feed systems and metering pumps. Current chemical feed systems are approaching their useful life and are scheduled for replacement. The conversion from chlorine gas to sodium hypochlorite eliminates a significant hazard to operators. The building design is being performed in the FY17 budget and the FY18 funding is for construction and to supplement prior funding.

Sewer Rehab I&I (\$800,000): In FY17 the Town initiated a multi-year sewer rehab program with the objective to reduce I&I and recapture 200,000 gallons per day system capacity over a three year program period. In November 2016, a multi-year service contract was awarded to HYDROSTRUCTURES. The FY18 project is to build on the prior year effort, which focused on finding problem areas and recommending rehabilitation methods with the actual remediation of the system. While the remediation efforts are focused on the Plant North and Plant South – Taylor basins, new study/monitoring efforts will move to the Cedar Run basins to identify remediation targets for the following FY19 program. Rehab efforts will include, but not limited to, sewer main relining, replacement, manhole rehabilitation, sealing lateral connections and other methods to eliminate intrusion to the system.

Additional WWTP Upgrades – RBC Replacement (\$3,000,000): Project consists of the replacement of the original installed equipment Rotating Biological Contactors (RBC) with the next generation Moving Bed Biological Reactor (MBBR) to enhance treatment of biological oxygen demand (BOD) and pre-denitrification. The project is to be phased over 3 years in order

to maintain treatment operations. The design engineering of the project is being performed in FY17 with the 18-month construction phase to begin in FY18. In addition to insuring continued plant operation to meet the current DEQ permit standards for treatment without violations, the project enhances the treatment efficiency to potentially allow the permit renewal in 2020 to be increased above the current 2.5 million gallons per day.

Trailer Mounted Emergency Generator (\$25,000): Trailer mounted 100KW generator for emergency power outages to provide backup power for the Town's groundwater wells and the Town Shop. Project includes the generator, trailer and power connections to the well electrical panels. This project is a 50/50 cost share with the general fund to be a Town asset for emergency situations.

WTP Vehicle Replacement (\$28,000): Replacement of the WTP pickup truck, #3602, a 2006 Chevy Colorado, with a Ford F250 4x4 short bed. The truck is used to check the condition of the Warrenton and Airlie Reservoirs/Dams. The vehicle will be 12 years old in 2018 and is scheduled for replacement under the Town's Fleet Vehicle & Equipment Policy.

T&D Utility Truck Replacement (\$33,000): Replacement of utility pickup #7057 with a ¾ ton pickup with a utility body for carrying repair materials and tools. The current truck is a 1991 model which will be over 25 years old in FY18 and overdue for replacement. The truck is used to pull the pipe trailer, which when loaded, the current vehicle's transmission is not able to handle. Truck was originally programmed for FY15, but was deferred due to a more critical vehicle replacement need for this section.

Equipment Shed for Flusher Truck & Trailer (\$54,000): A heated building for housing of the Utility Department flusher truck and flusher trailer. An approximately 30'x40' insulated structure with concrete floor to be constructed at the Town Shop. The flusher truck and trailer are sensitive to damage due to freezing lines and, therefore, need a heated enclosure. In the past, the truck has been winterized with 55 gallons of anti-freeze and upon every use, has to be re-winterized with new anti-freeze. The heated structure will enable the flushers to always be readily available regardless of weather conditions and facilitate more efficient use of the motor pool bay for maintenance activity.

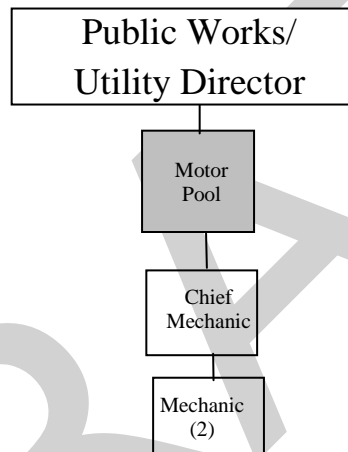
MOTOR POOL FUND

Program Description

The Motor Pool Fund is classified as an internal service fund. Internal service funds provide services to Town departments. The motor pool staff has responsibility for the maintenance of all Town vehicles and pieces of equipment (approximately 193 total, ranging from police cars to refuse trucks and other equipment such as backhoes, chain saws and weed eaters). Expenses incurred by the department are allocated on a regular basis to other Town departments based on actual usage.

Current Staffing

The Motor Pool is staffed by three full-time mechanics.



Goals

Key Projects

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$195,640	\$171,585	\$205,259	\$184,491	(\$20,768)
Operating	262,685	337,424	265,144	281,816	16,672
Capital	0	9,874	7,000	7,000	0
Total	\$467,736	\$518,883	\$477,403	\$473,307	(\$4,096)
Staffing Summary					
Full-time	3.0	3.0	3.0	3.0	0.0

Budget Request / Analysis

The proposed FY 2018 budget for the Motor Pool is \$473,307 which is a decrease of \$4,096, or 0.9%, less than the FY 2017 adopted budget.

The fluctuations in the personnel category above reflect changes in staffing. Two long-time employees retired during FY 2016. The adopted personnel budget for FY 2017 reflected one of those vacancies at a higher rate than the level at which the vacancy was subsequently filled. The category shows a reduction of \$20,768 compared to the FY 2017 adopted budget. Overtime has been included in the proposed budget to supplement during the high equipment use months of the construction season and during snow removal operations. Snow removal operations require mechanic support for the duration to ensure equipment can be put back into service quickly.

The operating category has increased by \$16,672 over the FY 2017 adopted budget. There is a shift in the operating category showing a decrease in contractual repairs and an increase in repair parts and equipment as the department continues to repair more vehicles and equipment in house. As part of that effort to keep repairs in house, the capital category reflects the purchase of necessary diagnostic equipment and tools.

The labor, contractual repairs and repair parts are charged directly to the other department accounts throughout the year as repairs and services are performed. The current internal labor charge is \$64 per hour compared to the local dealership rates that range from \$85-\$105 per hour. An additional \$14.50 per hour is charged for shop supplies and other motor pool expenses.

INFORMATION TECHNOLOGY FUND

Program Description

This fund includes all information technology costs that are non-specific to any departmental program or effort. These costs are allocated to using departments based upon the number of network users in that department. Departmental specific information technology costs are shown in the appropriate department's line items of Professional Services, Maintenance Contracts or Computer Equipment.

Current Staffing

The Town has historically outsourced the Information Technology function. A full-time Information Technology Manager was hired halfway through FY 2016 to manage the vendor and guide the Town's Information Technology projects and resources.

Goals

Key Projects

Budget Summary

Category	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Proposed	Change
Personnel	\$0	\$57,116	\$91,379	\$98,728	\$7,349
Operating	184,031	197,481	199,650	166,742	(32,908)
Capital	24,450	59,161	69,000	102,500	33,500
Total	\$208,481	\$313,758	\$360,029	\$367,970	\$7,941
Staffing Summary					
Full-time	0	1.0	1.0	1.0	0.0

Budget Request / Analysis

The FY 2018 budget for the Information Technology Fund is \$367,970, an increase of \$7,941, or 2.2%, compared to the FY 2017 adopted budget. This amount will be allocated to the using departments based upon the current number of network users at a rate of \$4,046 per user per year.

The personnel category shows an increase of \$7,349, owing mostly to changes in health insurance elections. The budget request reflects a reduction in professional services of \$39,700. The Town switched to another vendor for IT support services mid-way through FY 2017. Maintenance contracts and license renewals for Information Technology software and hardware total \$92,642, and communications (for services such as cable and T1) are estimated at \$15,600. Projects included in the capital category include server virtualization, the switch to VMware environment, installation of a secure mail appliance, desktop computer replacements, repair equipment, and remote desktop capability.



Section IV

Relevant Financial Policies

DRAFT



FUND BALANCE POLICY

Effective Date: September 13, 2016

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 in light of 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	<ul style="list-style-type: none">• Debt covenants• Revenues

	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	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. 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). 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. Maintenance of Minimum Unassigned General Fund Balance Level

At the end of each fiscal year, all general fund revenues in excess of expenditures will first be allocated to unassigned fund balance until the established minimum general fund balance level is met. After that minimum level is met, the surplus may be committed to use for capital expenditures or emergency needs, as approved by the Town Council.

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 fiscal year's budget.

f. Use of General Fund Unassigned Fund Balance

The general fund unassigned fund balance shall be drawn upon only as absolutely 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;
4. Providing liquidity in emergency situations.

Franklin Street Light Options (from 3rd Street to 5th Street)

1. Ornamental lighting estimate:

6 lights with concrete bases, decorative poles and vintage heads @ \$2,500 Each	=	\$15,000
600 lf buried conduit @ \$10/lf	=	\$ 6,000
Wiring and misc electrical items	=	\$ 3,500
Dominion Power meter and pole drop	=	<u>\$ 2,500</u>
Sub-total		\$27,000
Contingency		<u>\$ 3,000</u>
TOTAL		<u><u>\$30,000</u></u>

Assumes: 1. No boring for conduit
 2. Aluminum or fiberglass ornamental light pole

2. Additional Standard Street Light estimate:

- a. There is sufficient street along lower Franklin Street (Green to 5th) with 3 existing lights and the 5th Street parking lot lighting with 4 existing lights. The corner of Franklin/ 3rd and in front of Clair's is in need of additional lighting, which can be accommodated with adding additional heads on existing poles and the installation of an additional pole.

Cost estimate with Dominion Power rate Schedule: \$1,500

- b. Another option:

Standard Street Lighting as above in (a) above:	\$1,500
Conduit under sidewalk for future ornamental lights, as above:	<u>\$6,000</u>
Total	\$7,500

TOWN OF WARRENTON

Contributions to Outside Agencies

Entity	FY 2017	FY 2018		Fauquier County
	Adopted	Requested	Proposed	
Hospice Support of Fauquier	1,000	1,000	1,000	1,800
Fauquier Community Food Bank	3,750	5,000	3,750	20,000
Fauquier Family Shelter	6,700	6,700	6,700	100,132
Fauquier Community Child Care	4,500	4,500	4,500	9,000
Fauquier Free Clinic	10,000	10,000	10,000	22,500
Piedmont Dispute Resolution Center	1,000	1,000	1,000	49,050
Virginia Regional Transit (Circuit Rider) ¹	59,987	56,942	56,942	25,883
Literacy Volunteers of Fauquier County	2,500	2,500	2,500	13,500
Fauquier CADRE	2,000	2,000	2,000	6,300
Rappahannock/Rapidan Medical Reserves Corps	500		500	-
Fauquier Community Action Committee/Head Start/Bright Stars	10,000	10,000	10,000	54,000
Families4Fauquier	2,000	2,000	2,000	-
Leadership Fauquier	3,000	3,000	3,000	-
Boys & Girls Club of Fauquier	10,000	10,000	10,000	9,000
Piedmont Symphony Orchestra	1,000	5,000	1,000	5,000
Bluemont Concert Series (includes \$4,500 VCA grant) ²	10,000	15,000	9,500	10,000
Fauquier Historical Society	10,000	15,000	10,000	10,172
Warrenton-Fauquier Heritage Day	2,500	2,500	2,500	1,544
First Night Warrenton	5,000	5,000	5,000	617
Main Street Program/Partnership for Warrenton	20,000		20,000	-
Warrenton Caboose	1,000	2,500	1,000	-
Lord Fairfax Community College ³	17,500	7,500	2,500	-
Total	\$ 183,937	\$ 167,142	\$ 165,392	

Notes:

1. The Town provides in-kind services (fuel), which is budgeted at \$15,000 of this amount.
2. VCA notified us that the LGC grant will not be fully funded this year.
3. LFCC Scholarship total is \$7,500; donation of \$5,000 from Dakota Springs was sent directly to LFCC.

Comparison of Tax Rates with Neighboring Localities

Locality	Real Estate (\$/\$100 valuation)	Pers. Prop. (\$/\$100 valuation)	Veh. License (car/MC per sticker)	Meals (%)	Lodging (%)	Cigarette (\$/pack)
Towns / Counties						
Warrenton	\$0.050	\$1.00	\$25/\$15 *	4.0%	4.0%	\$0.15
Fauquier County	\$1.039	\$4.65	\$25/\$15	0.0%	2.0%	\$0.00
Culpeper (Town)	\$0.100	\$1.00	\$0	6.0%	6.0%	\$0.10
Culpeper County	\$0.730	\$3.50	\$25/\$15	0.0%	2.0%	\$0.00
Leesburg (Town)	\$0.184	\$1.00	\$25/\$15	3.5%	8.0%	\$0.75
Loudoun County	\$1.125	\$4.20	\$25	0.0%	7.0%	\$0.00
Front Royal (Town)	\$0.135	\$0.64	\$25/\$15	4.0%	6.0%	\$0.00
Warren County	\$0.620	\$4.00	\$30/\$15	4.0%	2.0%	\$0.00
Orange (Town)	\$0.175	\$0.83	\$35/\$21	8.0%	5.0%	\$0.12
Orange County	\$0.804	\$3.75	\$35/\$21	4.0%	0.0%	\$0.00
Independent Cities:						
Manassas	\$1.220	\$3.25	\$25/\$10	4.0%	5.0%	\$0.65
Winchester	\$0.910	\$4.50	\$24/\$12	6.0%	6.0%	\$0.35
Fredericksburg	\$0.770	\$3.40	\$20/\$10	6.0%	6.0%	\$0.31
Warrenton's Rank (out of 13; highest to lowest; T = tied)	13	T-9	T-4	T-3	5	5

* proposed FY18

Comparison of Tax Rates with Neighboring Localities

Locality	BPOL Contracting (\$/\$100)	BPOL Retail (\$/\$100)	BPOL Pers. Service (\$/\$100)	BPOL Professional (\$/\$100)	BPOL Wholesale (\$/\$100)	BPOL Threshold
Towns / Counties						
Warrenton	\$0.0850	\$0.1000	\$0.1870	\$0.2975	\$0.0400	\$0.00
Fauquier County	\$0.0850	\$0.1000	\$0.1870	\$0.2975	\$0.0425	\$200,000
Culpeper (Town)	\$0.0800	\$0.1000	\$0.1800	\$0.2900	\$0.0000	\$0.00
Culpeper County	n/a	n/a	n/a	n/a	n/a	n/a
Leesburg (Town)	\$0.1000	\$0.1000	\$0.2000	\$0.2000	\$0.0750	\$0.00
Loudoun County	\$0.1300	\$0.1700	\$0.2300	\$0.3300	\$0.0500	\$200,000 (\$30 min fee)
Front Royal (Town)	\$0.0800	\$0.1200	\$0.2000	\$0.3600	\$0.0800	\$0.00
Warren County	\$0.1300	\$0.1600	\$0.2700	\$0.4100	\$0.0500	\$0.00
Orange (Town)	n/a	n/a	n/a	n/a	n/a	n/a
Orange County **	n/a	n/a	n/a	n/a	n/a	n/a
Independent Cities:						
Manassas	\$0.1000	\$0.1200	\$0.2200	\$0.3500	\$0.0500	\$150,000
Winchester	\$0.1600	\$0.2000	\$0.3600	\$0.5800	\$0.2000	\$0.00
Fredericksburg	\$0.1600	\$0.2000	\$0.3600	\$0.5800	\$0.0500	\$0.00
Warrenton's Rank (out of 10; highest to lowest; T = tied)	T-4	T-5	T-6	T-6	6	T-3

****charges Merchants' Capital Tax (tax on inventory) in lieu of BPOL at a rate of \$0.40 per \$100 assessed valuation**

April 17 Budget Work Session

FY18 Budget Issues for Follow-Up Discussion:

1. Staffing - \$386,927 in additional spending
 - a. FT Executive Assistant \$49,217 + \$24,751
 - b. FT Accounting Technician \$36,727 + \$22,051
 - c. FT Zoning Planner \$70,000 + \$28,819
 - d. PT Parking Enforcement Officer \$29,000 + \$2,119
 - e. Upgrade to FT Park Maintenance Technician + \$22,710
 - f. Upgrade to FT Aquatics Coordinator \$10,680 + \$19,933
 - g. Upgrade to FT Permit Technician \$14,776 + \$19,363
 - h. Upgrade to FT MS4 Coordinator + \$30,343 + \$23,528
2. FY18 Capital Projects
 - a. FY17 Capital Project Status Report
 - b. FY18 Recommended Projects & Prioritization Options
3. Police Replacement Vehicles – Cash vs. Financing
 - a. Vehicles (6) scheduled for replacement
 - b. Replacement vehicles itemized cost
 - c. Difference in financing vs. cash
4. Planning Professional Services FY17 Actual and FY18 Recommended
5. Budget Formatting and Presentation
 - a. Individual Organizational Charts for each Department Description
 - b. Total Staffing Table – All Funds
 - c. Enhanced Dollar Chart – Where it Comes from... Where it Goes ...
 - d. Draft Budget Policy to be considered by Council for Adoption
 - e. Move Inspections from Public Safety to Community Development
6. Outside Agency Requests
 - a. Boys & Girls Club Additional Request
7. Other Items for Discussion or research for April 24 Budget Work Session

Recommended New or Upgraded Positions in FY18 Budget

Customer service is one of the three priorities of Town Council. Our organization is small – most Town employees must have a comprehensive knowledge of their field and are ‘generalists’ out of necessity. They are cross-trained to perform the duties and tasks of their teammates during their absences – scheduled and unscheduled – so that services to citizens are timely and responsive.

This budget proposes to add three (3) new full-time positions, upgrade four (4) existing part-time positions to full-time status, and add one (1) new part-time positions to more effectively deliver services to citizens. In total, these amount to \$386,927 in new salaries and benefits expenditures.

This report provides a detailed justification for each position, including:

- Position, Department, Salary and Benefit expense
- Justification of Need
 - Duties to be performed, and how they are currently performed
 - Impact of not adding the position
- Alternatives to funding a full-time position
 - Part-time
 - Independent Contract

<u>Position</u>	<u>page</u>
Executive Assistant	2
Accounting Technician	3
Planner	4
Parking Enforcement Officer	5
Parks Maintenance Technician	6
Aquatics Coordinator	7
Permit Technician	8
MS4 Coordinator	9
Benefits Calculations	10

Position Title: Executive Assistant

Department: Town Manager

Salary & Benefits: \$49,217 + \$24,751

Justification of Need - Duties to be performed and how they are currently performed

A full-time Executive Assistant in the Town Manager's office is proposed to complement the part-time Executive Assistant/Town Clerk. This position will provide full-day availability to citizens for general inquiries, serve as a source for Town information and maintain administrative, clerical and scheduling support for the Town Manager and Council. With the implementation of the Council committee system, there are now many more meetings for which to prepare and assemble information for publishing agendas and minutes. Currently, the responsibility for updating information on the website is a shared responsibility by several departments, which leads to old information or missed opportunities to use the website as a reliable source for current news and calendar postings.

As many of the policies and recommendations progress through various committees to the full Council, there is a need produce draft minutes in a short turnaround for review. Also, the Planning Commission and ARB hold work sessions with greater frequency. These minutes are currently taken by part-time Permit Technicians, which takes time away from their regular duties of timely processing permits and providing information.

The duties of the Executive Assistant are currently performed by the part-time Town Recorder, Town Manager, Department Heads and administrative staff in other departments.

Impact of Not Adding the Position

During the 20 hours each week when the part-time Town Recorder is not on duty, the Town Manager will continue to be without an administrative assistant. Draft minutes will continue to be produced on a 10 - 14 day basis. Even though the Novus platform helps to prevent pending agenda items from being dropped, there will continue to be agenda matters and other scheduling details that are occasionally missed.

Alternatives to Funding a Full-Time Position

Part-time: This is a possible alternative to save salary and benefits cost. It is a partial solution to the demand for a full-time position.

Independent Contractor: The demands for this position are continuous and will not abate in the future.

Position Title: Accounting Technician
Department: Finance
Salary & Benefits: \$36,727 + \$22,051

Justification of Need - Duties to be performed and how they are currently performed

This position will be responsible for administering annual general property tax billings, monthly Meals and Lodging Tax filings, BPOL filings, and collection of delinquent taxes. Currently, these duties are divided among the staff in the department and are secondary to their primary assigned job role. For example, the Accounting Supervisor administers the annual general property tax billings, processes supplements and abatements throughout the year, and attempts to collect delinquent amounts through the Virginia Department of Taxation's Debt Set-off program. With the elimination of decals, the department will also begin processing DMV holds on vehicle registrations.

Our monthly Meals and Lodging Tax Filings are currently handled by a part-time employee. This job involves reviewing and processing the monthly filings and payments, sending non-filer letters and delinquent notices, establishing payment plans when businesses fall behind, and processing bank liens when all else fails. BPOL renewals are filed annually, but issuing licenses to new businesses occurs throughout the year. Both renewals and new business licenses are primarily handled by the front desk staff. Non-filer letters and delinquent notices are sent several times a year for various types of taxes. Our department handles the assessment, treasury, purchasing, budget, finance, human resources and risk management functions for the town. Because the staff members handling each of these taxes also perform many other functions, we do not have the ability to successfully implement an audit function.

Impact of Not Adding the Position

Some businesses will continue to ignore non-filer letters and delinquent notices. The department will be unable to audit business tax returns due to the limited amount of time available to accomplish such a task. The attempts to collect amounts owed will be handled, but perhaps not as quickly or effectively as they could by a delinquent tax collector.

Alternatives to Funding a Full-Time Position

Part-time: This position could be filled at a part-time level. However, we currently have a part-time person administering the Meals and Lodging Tax and that alone consumes the bulk of her available hours each month.

Independent Contractor: Tax filings and collection of delinquent taxes is an annual and in some cases, monthly, activity. Desk audits and collection activities will be ongoing. Hiring an independent contractor could be a solution, but would be a continuing expense. This would likely be for collections only, although we could investigate contracting for audit services.

Position Title: Planner
Department: Planning & Community Development
Salary & Benefits: \$70,000 + \$28,819

Justification of Need - Duties to be performed and how they are currently performed

For many years the Town employed a dedicated Zoning Administrator that was responsible for Zoning Ordinance enforcement, amendments, interpretations, proffer administration, and land use applications. The Town eliminated the Zoning Administrator position during the most recession when the need for zoning interpretations and enforcement declined with the development activity. The responsibilities fell to the Planning and Community Development Director, who at the time, had previously served as the dedicated Zoning Administrator.

Zoning Administrators produce legal rulings and, as such, are required to be conversant in specific land use laws, federal requirements, and local needs. Now development is on the rise again with a 60% increase in permits in the last 3 years, an increase in land development applications, and the need to update the Zoning Ordinance. The Zoning Administrator previously updated the code to ensure the current legal requirements for land use and environment are met, as well as the needs of the community. Most jurisdictions find it important to separate the Planning Director from the Zoning Administrator to allow one to function on a policy; while the other functions on a legal, enforcement plane. For example, Leesburg, Culpeper, and Manassas all have separate Community Development Directors and Zoning Administrators. Fauquier County employs 5 planners dedicated solely to zoning issues. While the County is larger in land mass and population, it is also more rural. The Town has a built environment with a high demand for the zoning coverage.

Impact of Not Adding the Position

The Town has no planner dedicated to zoning which requires a special training and expertise. Instead, the various needs of zoning have fallen to multiple others in the Department making those employees less effective in doing the jobs they were hired to do and produce less effective zoning products. As a result, needed items are delayed or missed. Needed Code updates, notice of violations, site plan review, proffer management, and customer service all suffer.

Alternatives to Funding a Full-Time Position

Part-time: N/A

Independent Contractor: Currently, portions of the position are being handled by an independent contractor who was brought in to help enforce code violations. However, the scope of the position is much greater than the contractor can or should assume.

Position Title: Part-Time (29 hrs. per week) Parking Enforcement Officer
Department: Police Department
Salary & Benefits: \$29,000 + \$2,119
Approximate Start Date: July 2017

Justification of Need

The part time Parking Enforcement Officer resigned in July 2015, and was replaced by the Department's Motor Officer to handle parking enforcement as an additional duty. In December 2015, the Motor Officer assigned to parking enforcement was reassigned to a patrol squad based on operational necessity. Since that time parking regulations have not been consistently enforced in the area of Old Town and other commercial locations within the town on a regular basis. This has resulted in a pattern of timed parking abuse by some drivers on a consistent basis and has created a concern for some of the business owners. The perception is that parking is not regularly enforced and obedience to parking regulations is not scrutinized. The current response to parking complaints is reactive and not proactive.

General duties and responsibilities for the position include:

- a. Patrols Town streets, parking lots, commercial and residential areas to enforce parking regulations.
- b. Assists in traffic control including directing traffic.
- c. Prepares parking enforcement cases for giving testimony and testifies in court proceedings.
- d. Writes tickets for traffic violations.
- e. Sends notices for unpaid parking tickets.
- f. Answers inquiries from public.
- g. Enters citation and related information into computer.
- h. Maintains parking ticket records and prepares reports.

Impact of Not Adding the Position

Based on the foregoing it is feasible to argue that the lack of a dedicated Parking Enforcement Officer has had an adverse impact on ensuring parking laws are followed in Warrenton.

Alternatives to Funding a Full-Time Position

Part-time: The proposed position is part-time.

Independent Contractor: An independent contractor is not an option for this position, as the need for parking enforcement will steadily increase over time and will not change with economic cycle.

Position Title: Parks Maintenance Technician
Department: Parks & Recreation
Salary & Benefits: +\$2,819(salary) + \$19,891(benefits)

Justification of Need - Duties to be performed and how they are currently performed

Replace one year round part-time and one seasonal Parks Maintenance Technicians with one full-time Parks Maintenance Technician in the Parks & Recreation Department for an increase of \$22,710 in salary and benefits. With growth in park patronage and increasing demand for routine repair and facility maintenance, there is a year-round need for a maintenance technician.

Currently, the Department maintains the WARF, Fun for All Playground, Skate Park and surrounding grounds, as well as Sam Tarr Park, Rady Park, Eva Walker Park, and Academy Hill Park. The Department will also be adding maintenance responsibilities for the new dog park. The low pay and hours for the part-time and seasonal positions results in frequent turnover in those positions. Over the course of the past seven years, almost twenty people have cycled through these positions. They leave for full time jobs with benefits. We believe a single full-time position will attract a better pool of applicants and result in improved staffing reliability. This is a critical position for the department.

Parks and Recreation operates seven days a week. The Parks Maintenance Technician plays a key role in customer satisfaction by keeping parks, shelters, and restrooms clean and in good repair. The Parks Maintenance Technician is required to work on weekends on their own, so having a reliable employee is essential.

Impact of Not Adding the Position

The impact of not adding this position will be continued issues with keeping a dependable employee for any length of time. When the position turns over, there are significant impacts on other staff in trying to maintain a high level of customer service. As the parks and fields are continually used, we cannot skip a day of maintenance. Finding people to fill the part time position has been challenging, so other employees have to fill in every time the position becomes vacant. This takes those employees away from their other duties. Over the years, the turnover in this position has resulted in quite a few instances of the management team having to go out and clean toilets and pull trash on the weekends. In addition, without having a consistent employee in the position, we are regularly spending time training new employees only to have them leave in a few months.

Alternatives to Funding a Full-Time Position

Part-time: This position replaces two part time positions, as this solution is not working well.

Independent Contractor: An independent contractor is not an option for this position, as park maintenance is a ongoing, year-round need, not a cyclical one.

Position Title: Aquatics Coordinator
Department: Parks & Recreation
Salary & Benefits: + \$10,680 (salary) + \$19,933 (benefits)

Justification of Need - Duties to be performed and how they are currently performed

Upgrade the part-time Aquatics Coordinator to full-time in the Parks & Recreation Department for an increase of \$10,680 in salary and \$19,933 in benefits. This position was requested in the FY17 budget but not funded. The Coordinator is responsible for: scheduling approximately 50 lifeguards, 10 Aquatics Supervisors and Head Guards, and 20 Water Safety Instructors; teaching certification classes for the facility, including CPR, Lifeguarding, Coaches Safety training, and Water Safety Instructor training; year-round in-service training for all staff; preparation of payroll spreadsheets; and designing the offerings for the swim lesson program.

The Aquatics Coordinator is a key player in ensuring the safety of patrons in our pools. The function is also key for smooth operations of the pools. The demands of the position are full time. Similar facilities in the area (such as Freedom Center, Claude Moore, Manassas Park Center) all have full-time Aquatics Coordinators.

Impact of Not Adding the Position

The impact of not funding the position will be that the position remains part-time and that parts of the work load will continue to be shifted to other staff when necessary. It will also mean that program development will move at a slower pace.

Alternatives to Funding a Full-Time Position

Part-time: Position is currently part time.

Independent Contractor: While independent contractors do exist in this field, typical results are not up to the standards we need and expect at the WARF.

Position Title: Permit Technician
Department: Planning & Community Development
Salary & Benefits: + \$14,776 (salary) + \$19,363 (benefits)

Justification of Need - Duties to be performed and how they are currently performed

Upgrade one of the part-time Permit Technicians to full-time. Prior to the recession, the Department was staffed with 1.5 FTEs for the Permit Technician. The full-time Permit technician was downgraded to a job-share arrangement between 2 part-time staff. The last 3 years have seen a 60% increase in permit processing. Additionally, the Department is working to be more responsive to the public and Town decision makers by providing information on a timely and accurate basis. Due to the 29 hour per week cap on any part time employee, they are unable to keep up with the work load demands. For example, in addition to providing high quality customer service, the Permit Technicians must find time to produce meeting minutes. The current demand on staff requires a full- plus a part-time position to provide complete coverage of the permit desk during business hours as well as to provide support in the preparation of Planning Commission and ARB minutes and agendas.

Impact of Not Adding the Position

If this position is not fulfilled, the level of customer service will decline as demand is increasing. This will result in higher frustration on the part of residents, businesses, and companies seeking to invest in land development within the Town. Permits and documents produced by the Permit Technicians will also be delayed and likely result in the inability of the Department to provide information on a timely basis. Lastly, the absence of any devoted administrative help in Community Development often leads to the role of the Permit Technicians to fill in when possible in between front desk, phones, permits and minutes. As such, the Community Development filing and proper document handling is compromised. FOIA and other laws are not being met due to the lack of administrative and clerical support. The Permit Technicians eventually need to be separated from the front desk services. All other full time front counters in other Town Departments contain a full time staff person(s).

Alternatives to Funding a Full-Time Position

Part-time: N/A, position is already part time.

Independent Contractor: N/A This request is only for ten additional hours, it is not a new full time position, just an upgrade. Contractor help on filing and other items should be considered to help catch up on the backlog as this staffing is merely to meet current demands.

Position Title: MS4 Coordinator

Department: Public Works & Utilities

Salary & Benefits: + \$30,343 (salary) + \$23,528 (benefits)

Justification of Need – Upgrade the position from part-time (25 – 28 hrs./week) to full-time. In 2013 the Town was designated a Municipal Separate Storm Sewer System (MS4), a mandated program under the EPA's Stormwater Phase II Rule. The program at the state level is administered by the Virginia Department of Environmental Quality under the oversight of the EPA. Currently the Town is under the first of three- five year permit cycles very similar to the operating permits for the wastewater and water treatment plants. The town is under a nationwide discharge permit for its stormwater. The program requires extensive community education and outreach, interaction with the erosion/sedimentation and stormwater management (SWM) programs and post development the inspection and auditing of HOA SWM facilities. The Town must develop a Total maximum Daily Limit (TMDL) Action plan for nutrient removal for DEQ approval this year as part of the permit and once approved will have to meet permit limits in follow on years. The request is to upgrade of the current part-time (MS4) Coordinator to full-time in the Public Works Department. The limitations of part-time cannot cover the program requirements.

The program is here to stay and the permit requirements increase every year.

Impact of Not Adding the Position: Currently the program is falling behind and will not be able to meet the regulatory requirements with the limitations of only a part time employee. The program is under close scrutiny by the DEQ requiring periodic reports and subject to both DEQ and EPA audits. Non compliance will trigger DEQ enforcement actions.

Alternatives to Funding a Full-Time Position

Part-time: Currently the position is part-time and not able to cover program requirements. Adding additional PT is not an option. The coordinator needs to own the program and be the link between the Public Works and Community Development Departments for stormwater program elements.

Independent Contractor: The MS4 Program is a permanent DEQ/EPA program. The need for consistency over the coming years and someone to take ownership of the program does not lend to contracting out. Relationships are going to need to be developed and maintained with the community and staff. The various elements consisting of community education and outreach/involvement with the interaction with HOA's and property management companies requires flexible hours.

Position Title	SALARY	7.65%	\$125/ea	125	14,456	flat	BENEFITS					TOTAL BENEFITS	TOTAL SALARY + BENEFITS	CURRENT SALARY + BENEFITS FOR PT	NET INCREASE	
							Virginia Retirement System									
							FICA	Misc *	Health **	Retirement	Disability					Group Life Insurance
Executive Assistant	49,217	3,765		125	14,456		5,311	290			645		24,592	73,809		73,809
Account Technician	36,727	2,810		125	14,456		3,963	217			481		22,051	58,778		58,778
Zoning Planner	70,000	5,355		125	14,456		7,553	413			917		28,819	98,819		98,819
Parking Enforcement	29,000	2,219		125									2,344	31,344		31,344
Parks Maintenance Worker	26,104	1,997		125	14,456		2,817	154			342		19,891	45,995		(23,285)
Aquatics Coordinator	36,727	2,810		125	14,456		3,963	217			481		22,051	58,778		(28,164)
Permit Technician	28,776	2,201		125	14,456		3,105	170			377		20,434	49,210		(15,071)
MS4 Coordinator	47,840	3,660		125	14,456		5,162	282			627		24,312	72,152		(35,371)

* Miscellaneous - covers costs associated with third-party COBRA administrator, employee awards banquet and luncheons.

** Health insurance is budgeted for all new/vacant positions at the highest level, family coverage option that the Town offers.

REVENUES

	FY 2017	FY 2018	Increase/(Decrease)	
	<u>Amended</u>	<u>Proposed</u>	\$	%
General Fund				
General Property Taxes	1,229,450	1,279,339	49,889	4.1%
Other Local Taxes	6,381,063	6,882,677	501,614	7.9%
Licenses, Permits and Fees	187,100	191,100	4,000	2.1%
Fines and Forfeitures	180,000	210,000	30,000	16.7%
Use of Money/Property	22,500	58,500	36,000	160.0%
Charges for Services	1,286,588	1,344,872	58,284	4.5%
Miscellaneous Revenue	180,650	188,400	7,750	4.3%
State Revenue	2,982,642	2,932,802	(49,840)	-1.7%
Federal Revenue	335,882	4,500	(331,382)	-98.7%
Transfers/Proffers	-	12,000	12,000	
Use of Fund Balance	918,604	1,449,750	531,146	57.8%
General Fund Total	13,704,479	14,553,940	849,461	6.2%
Capital Projects	1,492,313	1,531,161	38,848	2.6%
WS Operating	5,421,672	5,562,138	140,466	2.6%
WS Capital	2,631,894	4,790,000	2,158,106	82.0%
Motor Pool	477,403	473,307	(4,096)	-0.9%
Information Technology	360,029	367,970	7,941	2.2%
Total All Funds	24,087,790	27,278,516	3,190,726	13.2%
Less Transfers	(1,713,585)	(3,125,114)	(1,411,529)	82.4%
Total estimated revenues	22,374,205	24,153,402	1,779,197	8.0%

EXPENDITURES

	FY2017	FY 2018	Increase/(Decrease)	
	<u>Amended</u>	<u>Proposed</u>	\$	%
General Fund				
General government	1,104,891	1,226,252	121,361	11.0%
Public safety	3,754,339	4,064,709	310,370	8.3%
Public works	4,086,464	3,558,619	(527,845)	-12.9%
Parks and recreation	2,043,252	2,189,015	145,763	7.1%
Community Development	1,018,852	1,256,193	237,341	23.3%
Contributions	183,937	165,892	(18,045)	-9.8%
Debt service	636,590	633,598	(2,992)	-0.5%
Transfers	876,153	1,459,661	583,508	66.6%
General Fund Total	13,704,478	14,553,940	849,462	6.2%
Capital Projects	1,492,313	1,531,161	38,848	2.6%
WS Operating	5,421,672	5,562,138	140,466	2.6%
WS Capital	2,631,894	4,790,000	2,158,106	82.0%
Motor Pool	477,403	473,307	(4,096)	-0.9%
Information Technology	360,029	367,970	7,941	2.2%
Total All Funds	24,087,789	27,278,516	3,190,727	13.2%
Less Transfers	(1,713,585)	(3,125,114)	(1,411,529)	82.4%
Total estimated expenditures	22,374,204	24,153,402	1,779,198	8.0%

			Increase/(Decrease)	
<u>General Fund Operating</u>	FY 2017	FY 2018	\$	%
Current Year Revenue	12,785,875	13,104,190	318,315	2.5%
Expenditures	12,828,325	13,094,279	265,954	2.1%
	(42,450)	9,911		
<u>General Fund Capital</u>			Increase/(Decrease)	
Revenue	FY 2017	FY 2018	\$	%
Current Year Revenue	-	9,911	9,911	0.0%
Use of Fund Balance	876,153	1,449,750	573,597	65.5%
Transfer	876,153	1,459,661	583,508	66.6%
	-	-		

FY17 Capital Projects Status

FY17 Capital Projects - General Fund	Budget	Spent To Date	Anticipated 6/30/17	Notes
Police Vehicles	\$154,549	\$119,421	\$119,421	2 cruisers plus equipment
P25 Radio System Upgrade - Radios	185,656	0	0	radios to be purchased after upgrade -FY19
Police Dept. Hardware & Software	11,548	12,042	12,042	
Public Works Equipment - Chipper	60,000	60,000	60,000	
WARF Equipment	35,000	12,072	35,000	fitness equipment
Recreation Dept. Vehicle	27,000	27,645	27,645	
Fire Dept. Vehicle	150,000	150,000	150,000	contrib. to ladder truck
Walmart Roundabout	434,000	0	25,000	balance to be carried over
Drainage Projects - Shirley/Cleveland	133,400	721	125,400	
Facility Improvements - Parking Lot E	22,500	8,200	22,500	
VDOT Urban Funding	10,000	0	0	Broadview design match
VDOT Revenue Sharing	199,791	2,433	199,791	plus \$170K in FY18 Budget/CIP
Greenway Depot Park	19,370	264	19,370	\$15K for Dog Park
WARF Complex Improvements	<u>49,500</u>	<u>30,330</u>	<u>49,500</u>	
total	\$1,492,314	\$423,128	\$845,669	

FY17 Capital Projects - W&S Capital Fund	Budgeted	Spent	Anticipated 6/30/17	Notes
Machinery & Equipment	\$68,218	\$67,969	\$67,969	
Water Plant & Well Improvements	1,167,038	47,508	\$1,030,507	balance to be reserved for Chem bldg, const FY18
Sewer Plant Improvements	508,996	184,616	508,996	
Warrenton Dam	55,000	8,624	8,624	balance to support sewer plan improvements
Sewer Line Rehabilitation	759,144	57,985	628,000	
Water Line Rehabilitation	<u>73,500</u>	<u>0</u>	<u>55,000</u>	
total	\$2,631,895	\$298,733	\$2,231,127	

April 17 Budget Work Session

FY18 Budget Issues for Follow-Up Discussion:

1. Staffing - \$386,927 in additional spending
 - a. FT Executive Assistant \$49,217 + \$24,751
 - b. FT Accounting Technician \$36,727 + \$22,051
 - c. FT Zoning Planner \$70,000 + \$28,819
 - d. PT Parking Enforcement Officer \$29,000 + \$2,119
 - e. Upgrade to FT Park Maintenance Technician + \$22,710
 - f. Upgrade to FT Aquatics Coordinator \$10,680 + \$19,933
 - g. Upgrade to FT Permit Technician \$14,776 + \$19,363
 - h. Upgrade to FT MS4 Coordinator + \$30,343 + \$23,528
2. FY18 Capital Projects
 - a. FY17 Capital Project Status Report
 - b. FY18 Recommended Projects & Prioritization Options
3. Police Replacement Vehicles – Cash vs. Financing
 - a. Vehicles (6) scheduled for replacement
 - b. Replacement vehicles itemized cost
 - c. Difference in financing vs. cash
4. Planning Professional Services FY17 Actual and FY18 Recommended
5. Budget Formatting and Presentation
 - a. Individual Organizational Charts for each Department Description
 - b. Total Staffing Table – All Funds
 - c. Enhanced Dollar Chart – Where it Comes from... Where it Goes ...
 - d. Draft Budget Policy to be considered by Council for Adoption
 - e. Move Inspections from Public Safety to Community Development
6. Outside Agency Requests
 - a. Boys & Girls Club Additional Request
7. Other Items for Discussion or research for April 24 Budget Work Session

Police Vehicles Scheduled for Replacement in FY18

<i>Vehicle Number</i>	<i>Year</i>	<i>Mileage</i>	<i>12-mo. Actual Repair Cost</i>	<i>Description</i>
1001	2003	115,215	\$1,702	Marked Crown Victoria
1004	2008	119,720	\$3,950	Marked Ford Explorer
1006	2004	124,752	\$3,996	Marked Crown Victoria
1011	2000	78,119	\$6,679	Marked Crown Victoria
1013	2004	129,152	\$9,559	Marked Crown Victoria
1015	2008	160,803	\$1,458	Unmarked Ford Explorer

Department of Community Development
Projected Professional Services Balance for the Period Ending June 30, 2017

<u>Professional Services</u>			
Budgeted Amount			30,000.00
Less: Expenditures (year-to-date)			
The Berkley Group (Contract Planning Services/Sign Ordinance Review)	19,012.50		
Kimley-Horn Associates (Transportation Studies)	9,221.01		
Other	2,845.45		
Total Expenditures			31,078.96
Encumbrances (outstanding purchase orders)			
The Berkley Group (Contract Planning Services/Sign Ordinance Review)	29,957.50		
Kimley-Horn Associates (Transportation Studies)	778.99		
Total Encumbrances			30,736.49
Projected Additional Expenditures			
Kimley-Horn Associates (Transportation Studies) *	5,577.07		
The Berkley Group (Plan Reviews)	5,000.00		
Total Projected Additional Expenditures			10,577.07
Total Projected Expenditures			72,392.52
Projected Balance/(Overage)			<u>(42,392.52)</u>

<u>Professional Services - Comprehensive Plan</u>			
Budgeted Amount			170,000.00
Less: Expenditures (year-to-date)			
Walker Parking	25,852.00		
Other	531.31		
Total Expenditures			26,383.31
Encumbrances (outstanding purchase orders)			
Walker Parking	2,248.00		
Total Encumbrances			2,248.00
Projected Additional Expenditures			-
Total Projected Expenditures			28,631.31
Projected Balance/(Overage)			<u>141,368.69</u>

Projected Balance - Community Development Professional Services	<u>98,976.17</u>
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**If additional projects arise prior to the end of the fiscal year, additional funding may be required for Transportation Studies.*



**Town Manager's Recommended
FY18 Budget**

April 5, 2017



FY18 Budget Highlights

	<u>FY17 (amended)</u>	<u>FY18 (proposed)</u>	<u>% Change</u>
▣ General Fund	\$13,704,479	\$14,553,940	6.2%
▣ Operations	\$12,785,875	\$13,092,190	2.4%
▣ Transfer to Capital	\$918,604	\$1,461,750	58%
▣ General Fund Capital Projects	\$1,492,313	\$1,531,161	2.6%
▣ W& S Operating	\$5,421,672	\$5,562,138	2.6%
▣ W&S Capital	\$2,631,894	\$4,790,000	82%
▣ Motor Pool	\$477,403	\$473,307	(0.9%)
▣ Info. Tech.	<u>\$360,029</u>	<u>\$367,970</u>	2.2%
▣ Total	\$24,087,790	\$27,278,516	13.2%
▣ TOTAL (less transfers)	<u>\$22,374,205</u>	<u>\$24,994,679</u>	<u>11.7%</u>



FY18 General Fund Highlights

■ General Fund Revenues

- Vehicle License Fees +\$70,000
 - Vehicles increase from \$15 to \$25
 - Motorcycles increase from \$10 to \$20
- 5% Increase in WARF Rates +\$58,284
- Growth in Revenue Base for Other Local Taxes +\$501,614

■ General Fund Expenditures

- New(3)/Upgraded(4) FT Positions & benefits, 1 new PT +\$386,927
 - FT Executive Assistant \$49,217 + 24,751
 - Accounting Technician \$36,727 + \$22,051
 - Planner (Zoning Admin.) \$70,000 + \$28,819
 - Upgrade PT Aquatics Coord. to FT \$10,680 + \$19,933
 - Replace 2 PT Park Maint. Workers with 1 FT \$22,710
 - Upgrade PT Permit Tech. to FT \$14,776 + \$19,363
 - Upgrade PT MS4 Coord. to FT \$30,343 + \$23,528
 - PT Parking Enforcement Officer \$29,000 + \$2,119



FY18 General Fund Highlights

■ General Fund Expenditures highlights (cont'd)

■ Parking ticket writing equipment	\$15,000
■ GIS Integration with Fauquier Co.	\$50,000
■ Plan files digitization	\$75,000
■ Increased Contribution to WVFC	\$50,000
■ Office Space rental plus connectivity/furnishing	\$25,000



FY18 General Fund Capital Highlights

■ Capital Projects Fund Revenue	\$1,531,161
■ Transfer from Surplus	\$1,449,661
■ VDOT Revenue Sharing	\$71,500
■ Capital Projects Fund Expenditures	\$1,531,161
■ Permit Tracking Software	\$75,000
■ Other Capital Outlay (Vehicles, equip., build. Systems)	\$716,770
■ Projects	\$814,391



FY18 General Fund Capital Highlights

Description	FY 2018 Proposed
VDOT Broadview Avenue Improvements	\$25,000
Mast Arm Conversion – Blackwell Rd / Lee Hwy	170,000
Trailer Mounted Emergency Generator	25,000
Gold Cup Sidewalk	110,000
Franklin Street Sidewalk	81,391
Backhoe Replacement	135,000
Refuse Truck Replacement	165,000
Pickup Truck Replacement	54,000
Traffic Signal Interconnectivity – Lee Hwy	85,000
Police Cruiser Replacement	80,770
P25 Compliant Radio System Upgrade	152,000
WARF Fitness Equipment Replacement	30,000
WARF Facility Upgrades	33,000
Parking for Soccer Fields	20,000
WARF Roof	105,000
UV Disinfection – Pools	35,000
Rady Park Grading / Drainage	15,000
Skate Park Enhancements	20,000
Eva Walker Park Fence	115,000
Permit Tracking Software	<u>75,000</u>
Total Expenditures	\$1,531,161

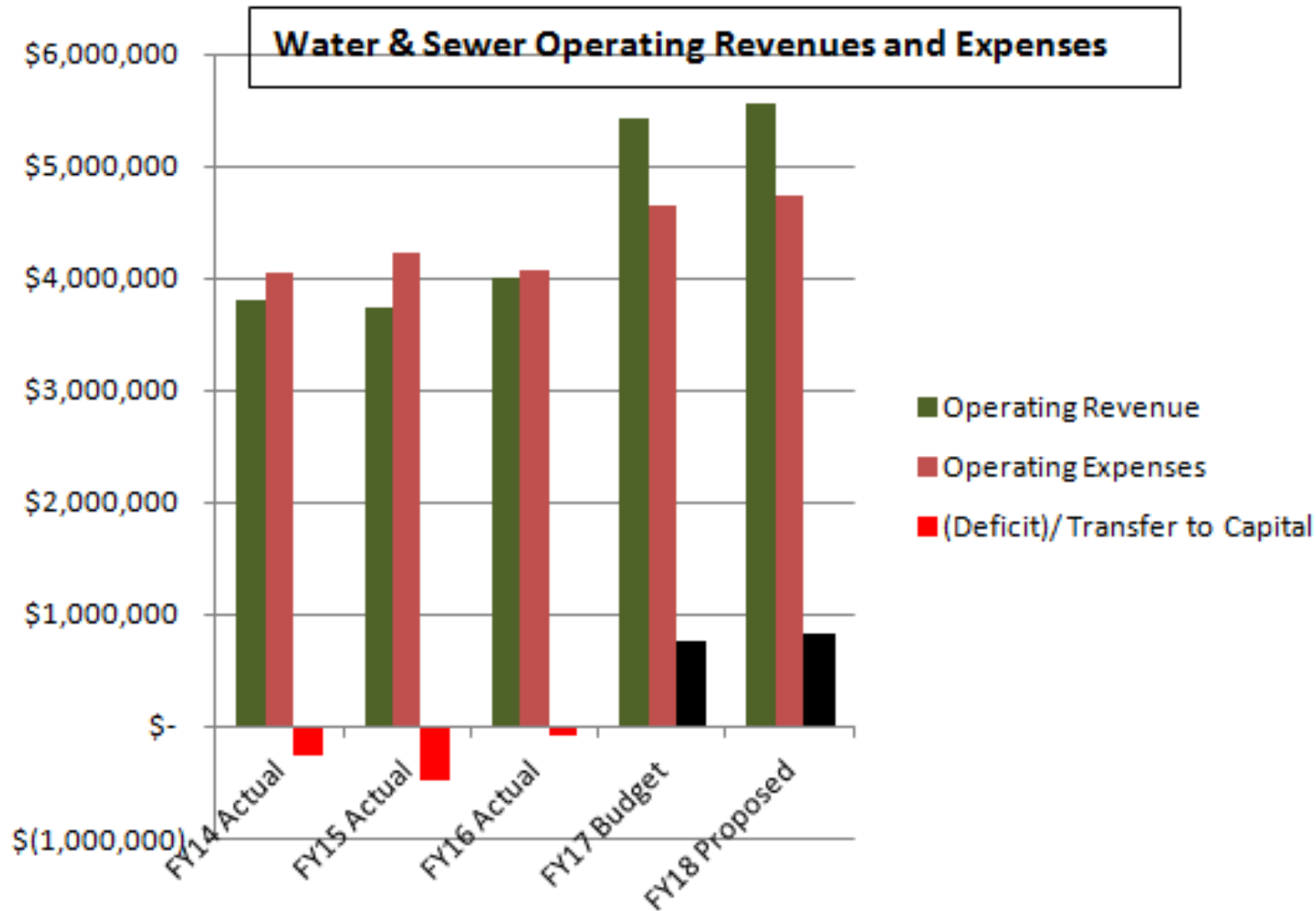


FY18 Water & Sewer Operating Fund Highlights

■ Water & Sewer Operating Fund Revenues	\$5,562,138
■ 3% Rate increases	+\$ 154,533
■ Use of Reserves	\$0
■ Water & Sewer Operating Expenses	\$5,562,138
■ Operations	+\$109,319
■ Transfer to Capital	+\$51,415



FY18 Water & Sewer Operating Fund Highlights





FY18 Water & Sewer Capital Fund Highlights

■ Water & Sewer Capital Revenues	\$4,790,000
■ Availability Fees	+\$510,000
■ Bond Proceeds	+\$2,052,591
■ Transfer from Operating	+\$51,415
■ Water & Sewer Capital Expenses	\$4,790,000
■ WTP Chemical Building and upgrades	\$850,000
■ I&I Abatement	\$800,000
■ WWTP RBC Replacement	\$3,000,000
■ Vehicles & Equipment	\$140,000



Review & Adoption Schedule

- **Wednesday, April 5, 6:00pm** **Initial Budget Work Session**
- **Monday, April 17, 7:00pm** **Budget Work Session**
- **Monday, April 24, 6:00pm** **Budget Work Session**
- **Tuesday, May 9, 7:00pm** **Budget Public Hearing**
- **Monday, May 15, 6:00pm** **Budget Work Session**
- **Tuesday, June 13, 7:00pm** **Budget Adoption**



**Town Manager's Recommended
FY18 Budget**

April 5, 2017