



Town of Lovettsville

FY 17 Budget Amendment

Session #1

Thursday, September 8, 2016



Good News and Caution

□ **Good News: Housing**

- Housing came in at triple of what was forecasted. Housing market picking up dramatically. Means we are collecting revenues earlier than planned.

□ **Caution: Economy**

- Economic strength brought in more revenues than planned. Economists, History, and recent Virginia Budget woes gives concerns about impending recession within 2 years.

We must bank the positive results from this year to cushion us when the recession hits.

Amendment Highlights

- **GF Reserve Status:** \$244K available that was not available before due to larger than expected surpluses- from operating surpluses (177K) when not providing the UF subsidy of \$75K and not counting contributions to 3RM; and the remaining from Capital spending that transfers over to next FY like Drainage Ditch and/or overall coming under budget for capital projects like the Market Study.
- **UF Reserve Status:** \$312K available that was not available before due to larger than expected surpluses- from operating (\$225) when not counting contributions to 3RM and from capital spending that transfers over to next FY like Water Calibration, Tree fixes, WWTP fixes, etc.; + \$387K from extra availabilities that contributed to a larger Debt Retirement Fund and New Capital Fund.

Note: Utility Surpluses largely come from extra housing (connection fees, availability fees, etc.) that may not be available in the future. GF Surpluses largely come from better than expected economic numbers and less spending on personnel (Economic Dev Coord, Events (1/2 year), and Legal) and UF Subsidy + accounting issues that have been addressed.

Amendment Highlights (cont.)- GF

- **\$70K+** used to build up Reserves to recommended levels + Rainy Day fund increased to 10% of operating costs instead of 5% to cushion against recession.
- **\$134K+** provided to 3RM and Capital Fund to cover Capital Costs in FY 17 (some that have rolled over and some new).
- **\$34K+** provided to the Operating Budget to cover additional unplanned expenses.



Amendment Highlights (cont.)- UF

- **\$134K+** used to build up Reserves to recommended levels.
- **\$103K+** provided to 3RM and Capital Fund to cover Capital Costs in FY 17 (some that have rolled over and some new).
- **\$75K+** provided to the Operating Budget to cover additional unplanned expenses like Operator Salary + additional 3RM buildup as planned per the Water & Sewer Study.

THE TOWN OF LOVETTSVILLE FY 17 BUDGET- RESERVE STRUCTURE (GENERAL FUND)

RESERVE CATEGORY	TOTAL (as of 12/31/15)	TOTAL (7/1/16)	Target	\$ per Year to get to Target by 2030
DEBT RETIREMENT	\$ 521,910.00	\$ 469,935.60	\$ 211,937.79	\$ -
RAINY DAY FUND	\$ 50,333.33	\$ 110,000.00	\$ 110,000.00	\$ -
30-DAY CASH ON HAND FOR EMERGENCY	\$ 90,111.11	\$ 91,666.67	\$ 91,666.67	\$ -
"3RM" FUND (Repair, Renew, Replace, Maintain)	\$ 100,000.00	\$ 90,000.00	TBD from Asset Mgt Plan	20% of Economic Development Revenue Surplus
NEW CAPITAL SPENDING	\$ 478,162.25	\$ 198,673.58	\$14,700,000	80% of Economic Development Revenue Surplus
HR FUND (TURNOVER, STD, VACATION, SURGE)	\$ 40,666.67	\$ 50,000.00	\$ 50,000.00	\$ -
OPERATING CASH	\$ 145,146.16	\$ 244,505.23	\$ 200,000.00	\$ -
TOTAL	\$ 1,426,329.52	\$ 1,254,781.07	\$ 663,604.45	\$ -

THE TOWN OF LOVETTSVILLE FY 17 BUDGET- RESERVE STRUCTURE (GENERAL FUND)

RESERVE CATEGORY	TOTAL (as of 12/31/15)	FORECASTED TOTAL (7/1/16)	Target	\$ per Year to get to Target by 2030
DEBT RETIREMENT	\$ 521,910.00	\$ 469,935.60	\$ 430,958.60	\$ -
RAINY DAY FUND	\$ 50,333.33	\$ 50,333.33	\$ 55,000.00	\$ 333.33
30-DAY CASH ON HAND FOR EMERGENCY	\$ 90,111.11	\$ 90,111.11	\$ 91,666.67	\$ 111.11
"3RM" FUND (Repair, Renew, Replace, Maintain)	\$ 100,000.00	\$ 90,000.00	TBD from Asset Mgt Plan	20% of Economic Development Revenue Surplus
NEW CAPITAL SPENDING	\$ 478,162.25	\$ 64,745.67	TBD	80% of Economic Development Revenue Surplus
HR FUND (TURNOVER, STD, VACATION, SURGE)	\$ 40,666.67	\$ 40,666.67	\$ 50,000.00	\$ 666.67
OPERATING CASH	\$ 145,146.16	\$ 210,000.00	\$ 210,000.00	\$ -
TOTAL	\$ 1,426,329.52	\$ 1,015,792.38	\$ 837,625.26	\$ 1,111.11

THE TOWN OF LOVETTSVILLE FY 17 BUDGET- RESERVE STRUCTURE (UTILITIES FUND)

RESERVE CATEGORY	TOTAL (as of 12/31/15)	FORECASTED TOTAL (7/1/16)	Target	\$ per Year to get to Target by 2030
DEBT RETIREMENT	\$ 1,435,351.45	\$ 1,416,114.07	\$ 2,977,826.77	\$ 111,550.91
RAINY DAY FUND	\$ 33,000.00	\$ 75,000.00	\$ 75,000.00	\$ -
30-DAY CASH ON HAND FOR EMERGENCY	\$ 45,666.67	\$ 125,000.00	\$ 125,000.00	\$ -
"3RM" FUND (Repair, Renew, Replace, Maintain)	\$ 19,645.08	\$ 99,726.21	TBD from Asset Mgt Plan	\$ 50,000.00
OPERATING CASH	\$ 103,333.33	\$ 255,171.18	\$ 200,000.00	\$ -
HR FUND (TURNOVER, STD, VACATION, SURGE)	\$ 30,933.33	\$ 44,000.00	\$ 44,000.00	\$ -
NEW CAPITAL SPENDING	\$ 30,000.00	\$ 166,375.00	Availability Fees	Availability Fees
TOTAL	\$ 1,697,929.87	\$ 2,181,386.46	\$ 3,421,826.77	\$ 161,550.91

THE TOWN OF LOVETTSVILLE FY 17 BUDGET- RESERVE STRUCTURE (UTILITIES FUND)

RESERVE CATEGORY	TOTAL (as of 12/31/15)	FORECASTED TOTAL (7/1/16)	Target	\$ per Year to get to Target by 2030
DEBT RETIREMENT	\$ 1,435,351.45	\$ 1,191,966.05	\$ 2,977,826.77	\$ 127,561.48
RAINY DAY FUND	\$ 33,000.00	\$ 33,000.00	\$ 75,000.00	\$ 3,000.00
30-DAY CASH ON HAND FOR EMERGENCY	\$ 45,666.67	\$ 45,666.67	\$ 125,000.00	\$ 5,666.67
"3RM" FUND (Repair, Renew, Replace, Maintain)	\$ 19,645.08	\$ -	TBD from Asset Mgt Plan	\$ 50,000.00
OPERATING CASH	\$ 103,333.33	\$ 180,000.00	\$ 180,000.00	\$ -
HR FUND (TURNOVER, STD, VACATION, SURGE)	\$ 30,933.33	\$ 30,933.33	\$ 44,000.00	\$ 933.33
NEW CAPITAL SPENDING	\$ 30,000.00	\$ -	Availability Fees	Availability Fees
TOTAL	\$ 1,697,929.87	\$ 1,481,566.05	\$ 3,401,826.77	\$ 187,161.48



GF Operating Savings

- Meals Tax- \$18K
- Business Tax- \$7K
- Sales Tax- \$19.5K
- No GF Subsidy- \$75K
- Legal Savings- \$14K
- Salaries- \$26K
- Remaining \$17K from efficiencies



UF Operating Savings

- ❑ Utility Bills due to new houses- \$50K
- ❑ Connection Fees due to new houses- \$26K
- ❑ Less needed from Debt Fund due to new houses- \$39K
- ❑ One-time Insurance Money for FY17- \$20K
- ❑ Overtime- \$8K
- ❑ Remaining \$78K from efficiencies (average savings of \$700 per line item of expenses and revenues)

GF Capital Budget

CATEGORIES	BRIEF DESCRIPTION	TOTAL (FY 17)
FUNDING- GENERAL FUND		
NEW CAPITAL SPENDING FUND	How much we will allocate to cover new capital spending based on Capital Fund Contributions.	\$ 160,360
3RM FUND CONTRIBUTION	For major Repair, Renewals, and Replacement projects (over \$5K)	\$ 53,140
BORROWED SOURCES		
NONE IN FY 17	NONE	\$ -
TOTAL FUNDING AVAILABLE		\$ 213,500
PROJECTS- GENERAL FUND		
ECONOMIC DEVELOPMENT PLANNING	Develop Engle Tract Concept Plan; Develop EDC Plan; Develop Main Street Plan	\$ 10,000
TOWN SQUARE MASTER PLAN	Master Plan Town Square	\$ 10,000
BROADWAY STREETScape	Storm Pond share to County/Banner Arms	\$ 67,000
CLOCKTOWER	Clock Faces	\$ 53,000
SHARED USE PATH PHASE 1	Replacing guardrails	\$ 2,000
Northside sidewalk (drainage ditch area)	Sidewalk	\$ 20,000
Northside Bike Station	Potential Easements	\$ 5,000
NORTH CHURCH ST IMPROVEMENTS	Partnering with Crowley to get road accepted by VDOT	\$ 25,000
TOWN HALL		
INTERIM TOWN HALL SUPPORT	Improvements to existing Town Hall or Rent Payments for interim solution	\$ 10,000
QUARTER BRANCH PARK - in order of Priority		
FENCE FOR BACK STORAGE AREA		\$ 11,500
YARD HYDRANT FOR COMMUNITY GARDEN		\$ -
TOTAL COST		\$ 213,500
NET TOTAL (REVENUES - EXPENDITURES)		\$ (0)

UF Capital Budget

FUNDING- UTILITIES FUND		
NEW CAPITAL SPENDING FUND	How much we have allocated to cover new capital spending from our existing reserves.	\$ 165,000
3RM FUND CONTRIBUTION	Major Repair, Renewals, and Replacement projects (over \$5K)	\$ 82,000
TOTAL FUNDING AVAILABLE		\$ 247,000
PROJECTS- UTILITIES FUND		
WWTP Deficiency Corrections- Consulting Services	Legal, Engineering, Strategy	\$ 65,000
WWTP Deficiency Corrections- Sludge Pump Modifications	Sludge Pumping Modifications	\$ 100,000
MISS UTILITY EQUIPMENT	Rigid Seektech SR-24 (\$3.5K), Rigid Signal transmitter (\$2K), Other Miscellaneous equipment (\$1.5K)	\$ 7,000
EQUIPMENT	Lift and Gator or Golf Cart	\$ 45,000
WATER MODEL CALIBRATION	To understand water infrastructure requirements	\$ 17,000
GIS UPDATE	Incorporate newly located data into the GIS layers	\$ 8,000
DEVELOP ASSET MANAGEMENT PLAN	Inventory of equipment and determining Life Span so we can develop 3RM fund.	\$ 5,000
TOTAL COST		\$ 247,000
NET TOTAL (REVENUES - EXPENDITURES)		\$ -



GF New Expenditures Highlight

- Healthcare Costs - \$12K+
- E-FICA- \$5K+
- Council Training- \$2.6K+
- Economic Development Consulting Support separated from special consulting (needed for IT support this FY)- \$10K



UF New Expenditures Highlight

- Operator Costs - \$38K+
- Overtime- \$9K+
- Benefits Adjustments including healthcare increase- \$26K+
- Water Meters New Construction- \$3K