



Town of Lovettsville

FY 17 Town of Lovettsville Budget

Thursday, June 16, 2016





AGENDA

- Highlights & Executive Summary
- Analysis of Debt and Reserves
- Discussion of Selected Budget Option
- Presentation of General Fund Operational and Program Budget
- Presentation of General Fund Capital Budget
- Presentation of Utility Fund Operational and Program Budget
- Presentation of Utility Fund Capital Budget



HIGHLIGHTS

- ❑ Our Utility Fund (UF) Budget (based on last year's decision on Rates that carries over) is balanced this year with no GF Subsidy required.
- ❑ Our General Fund (GF) Base Budget has a small structural Surplus that will grow every year, providing us options for achieving our goals.
- ❑ We cannot fund all of our Capital Projects, plus a Lovettsville Police Service, and Service Delivery Capacity enhancements on par with population growth, with existing revenues and even with realistic increases in revenues. We will need Economic Growth and Prioritization.



HIGHLIGHTS FOR TOWN COUNCIL

□ **What this Budget does:**

- Continues last year's Debt and Reserves Strategy per our Fiscal Policy to ensure fiscal responsibility
- Ensures structural Budget Surpluses are built-in to provide us options
- Separates and Tracks Economic Development Revenues for Capital
- Provides for Future funding of most of our Capital Project Goals
- Presents a 10 Year Program Budget

□ **What this Budget does not do:**

- Does not Fund all of our Capital Project Goals
- Does not reflect how much Revenues VDOT or the County will provide us for Capital Projects, but rather provides assumptions.
- Does not predict the Revenue impacts of the Engle Tract Development and Town Square Commercial Development

→ **Will try to do some of this in next years budget**



EXECUTIVE SUMMARY

- ❑ **DEBT:** GF has \$39K cushion for Debt Retirement; UF Shortfall of \$1.7M addressed with last year's budget strategy and the culmination this year.
- ❑ **RESERVES:** with annual contributions begun last year- on target to fully fund reserves. However, Broadway overruns have largely depleted Capital Funds.
- ❑ **ACTUAL ANNUAL SURPLUS IN GF FY 17 BASE BUDGET:** \$23K
- ❑ **FORECASTED TOTAL GF STRUCTURAL SURPLUS REVENUE OVER NEXT 30 YEARS:** \$5.3 Million assuming Program Budget Strategy is followed and all else being equal (i.e. Economy, Housing Demand, Natural Disasters, etc.).
- ❑ **UF RATES:** As planned last year (FY 16 was a transitional year with a 16% increase in rates instead of the 30% needed to get to balance), rates need to go up 12% this year to achieve full balance (16% + 12% compounded = 30%). Future annual rate increases of 3% through FY 19 and 1.3% thereafter needed to pay off debt and capital requirements + fund operational requirements (lowered from the previously planned 6% and 3% annual increases).



ANALYSIS OF DEBT AND RESERVES

- GENERAL FUND
- UTILITY FUND



GENERAL FUND DEBT SERVICE

	GENERAL FUND					
Note: as of 1 Mar 2016	DEBT PAYMENT CATEGORY					
FY	PRINCIPAL	INTEREST	FEES	TOTAL	MEALS/CIG. TAX REVENUE	RESERVE CONTRIBUTION
FY 2017	\$ 85,000.00	\$ 65,834.40	\$ 1,660.00	\$ 152,494.40	\$ 101,224.00	\$ 51,270.40
FY 2018	\$ 85,000.00	\$ 62,434.40	\$ 1,575.00	\$ 149,009.40	\$ 103,720.72	\$ 45,288.68
FY 2019	\$ 90,000.00	\$ 59,034.40	\$ 1,490.00	\$ 150,524.40	\$ 106,292.34	\$ 44,232.06
FY 2020	\$ 95,000.00	\$ 55,434.40	\$ 1,400.00	\$ 151,834.40	\$ 108,941.11	\$ 42,893.29
FY 2021	\$ 100,000.00	\$ 32,346.90	\$ 1,305.00	\$ 133,651.90	\$ 111,669.35	\$ 21,982.56
FY 2022	\$ 100,000.00	\$ 49,231.76	\$ 1,205.00	\$ 150,436.76	\$ 114,479.43	\$ 35,957.33
FY 2023	\$ 105,000.00	\$ 46,116.63	\$ 1,105.00	\$ 152,221.63	\$ 117,373.81	\$ 34,847.82
FY 2024	\$ 110,000.00	\$ 42,179.13	\$ 1,000.00	\$ 153,179.13	\$ 120,355.02	\$ 32,824.11
FY 2025	\$ 115,000.00	\$ 37,779.13	\$ 890.00	\$ 153,669.13	\$ 123,425.67	\$ 30,243.46
FY 2026	\$ 115,000.00	\$ 33,373.81	\$ 775.00	\$ 149,148.81	\$ 126,588.44	\$ 22,560.36
FY 2027	\$ 120,000.00	\$ 28,968.49	\$ 660.00	\$ 149,628.49	\$ 129,846.10	\$ 19,782.39
FY 2028	\$ 125,000.00	\$ 23,868.49	\$ 540.00	\$ 149,408.49	\$ 133,201.48	\$ 16,207.01
FY 2029	\$ 130,000.00	\$ 18,555.99	\$ 415.00	\$ 148,970.99	\$ 136,657.52	\$ 12,313.46
FY 2030	\$ 140,000.00	\$ 12,743.27	\$ 285.00	\$ 153,028.27	\$ 140,217.25	\$ 12,811.02
FY 2031	\$ 145,000.00	\$ 6,483.41	\$ 145.00	\$ 151,628.41	\$ 143,883.77	\$ 7,744.65



GENERAL FUND DEBT SERVICE

- ❑ **Total GF Debt Remaining- \$2.2M**
 - \$1.8M in Meals and Cigarette Tax Revenues forecasted.
 - \$431K needed from Reserves to cover remaining debt.

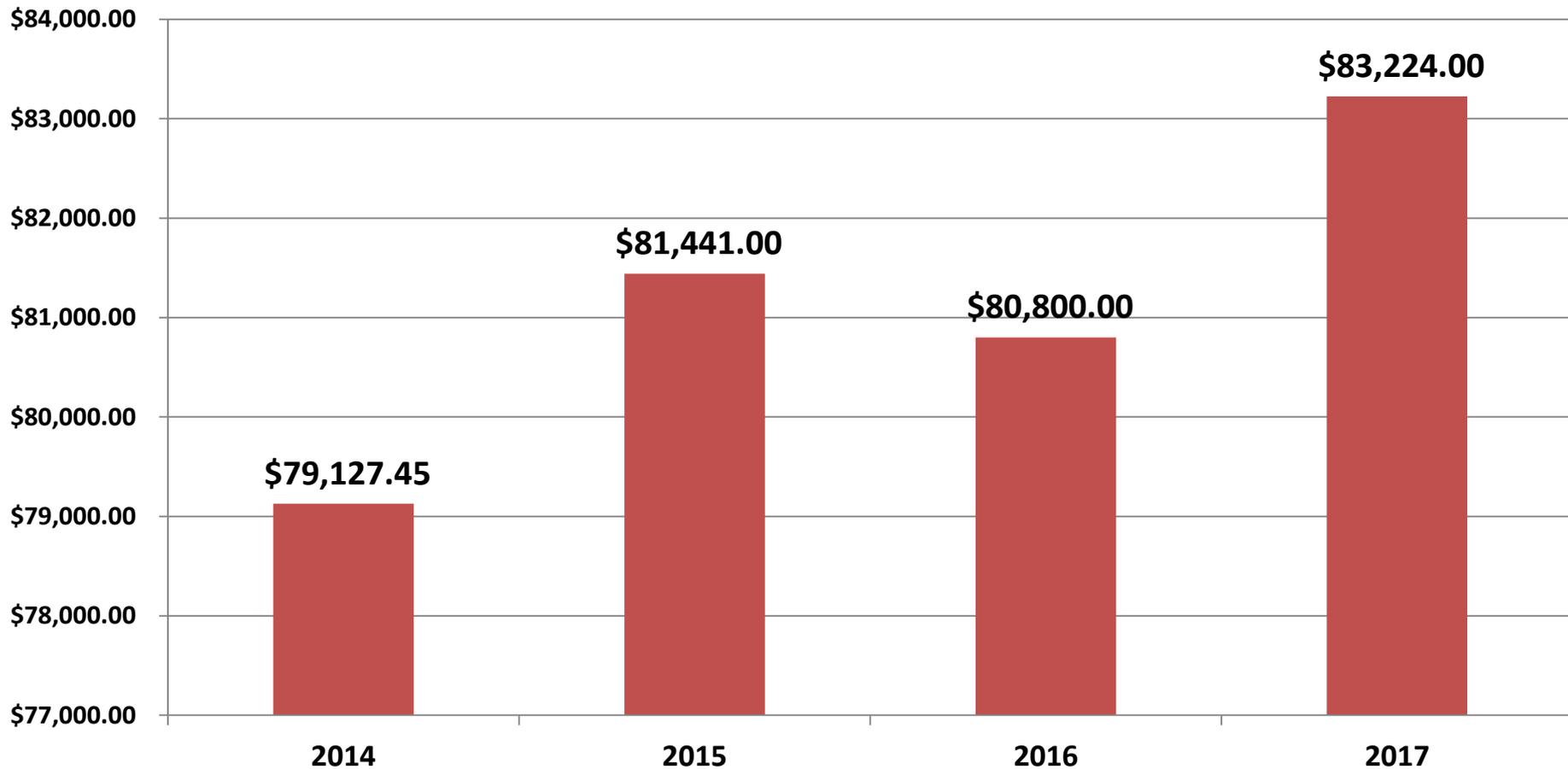
- ❖ **The Town’s \$470K Debt Retirement Fund has a \$39K cushion in paying down the debt in case Meals and Cigarette Taxes do not grow as planned.**

Meals/Cigarette Revenue								
	2017	2018	2019	2020	2021	2022	2023	2024
Meals	\$ 83,224.00	\$ 85,720.72	\$ 88,292.34	\$ 90,941.11	\$ 93,669.35	\$ 96,479.43	\$ 99,373.81	\$ 102,355.02
Cigar.	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Total	\$ 101,224.00	\$ 103,720.72	\$ 106,292.34	\$ 108,941.11	\$ 111,669.35	\$ 114,479.43	\$ 117,373.81	\$ 120,355.02
	2025	2026	2027	2028	2029	2030	2031	Total
Meals	\$ 105,425.67	\$ 108,588.44	\$ 111,846.10	\$ 115,201.48	\$ 118,657.52	\$ 122,217.25	\$ 125,883.77	\$1,547,876.01
Cigar.	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 270,000.00
Total	\$ 123,425.67	\$ 126,588.44	\$ 129,846.10	\$ 133,201.48	\$ 136,657.52	\$ 140,217.25	\$ 143,883.77	\$1,817,876.01



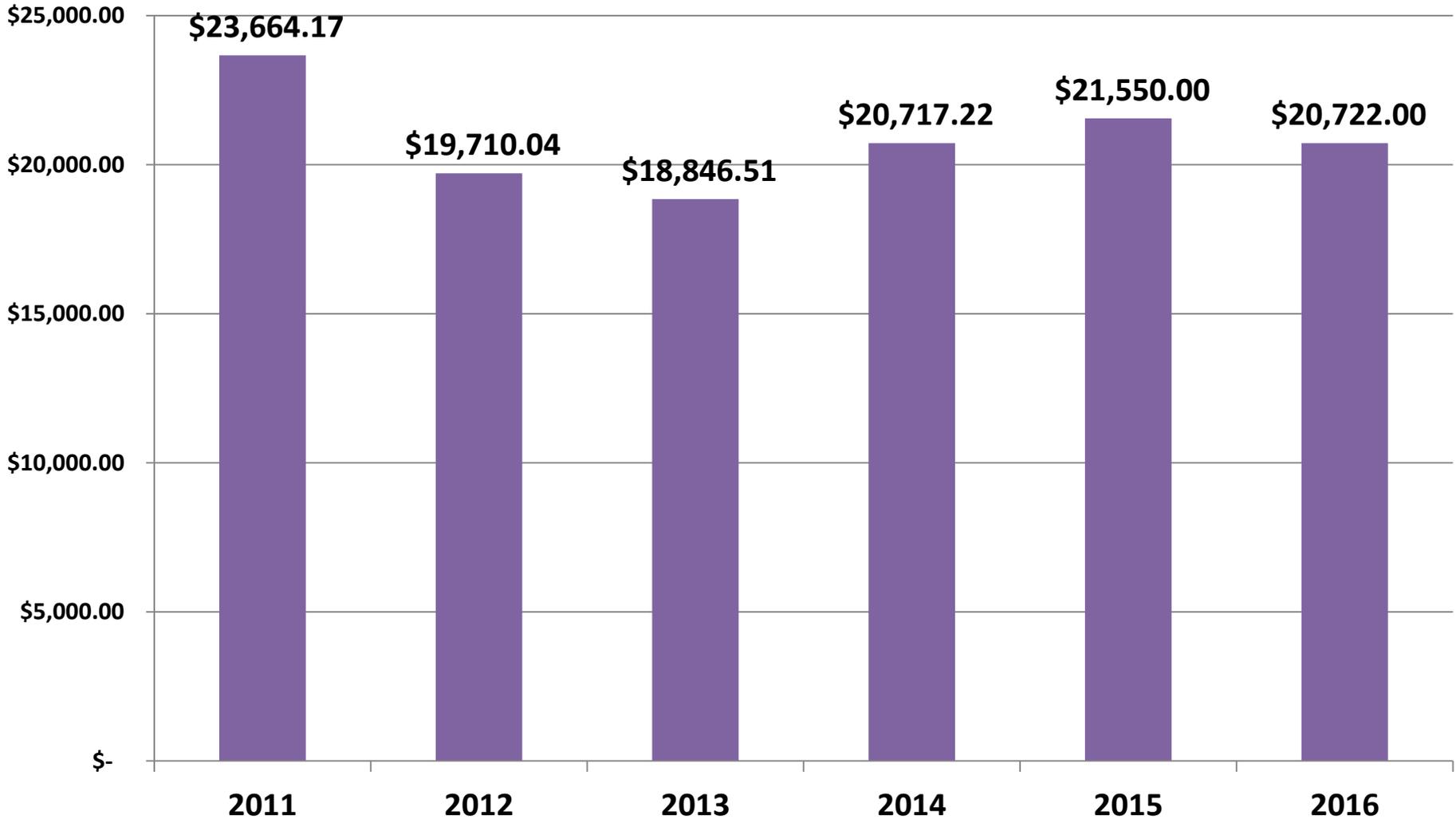
OTHER REVENUES FOR DEBT RETIREMENT- Meals Tax

Meals Tax Revenue





OTHER REVENUES FOR DEBT RETIREMENT- Cigarette Tax





FUNDING RESERVE ACCOUNTS

- ❑ **DEBT RETIREMENT:** large enough to pay off existing debt after available revenues are applied.
- ❑ **RAINY DAY FUND:** enables organization to remain fiscally stable during National Business Cycle. **5% of Operating Budget.**
- ❑ **30-DAY CASH ON HAND:** enables organization to have cash on hand for emergencies or collapse in revenues.
- ❑ **OPERATING CASH:** enables organization to not have to borrow funds during year when revenues have not caught up to spending, but are projected to (is replenished by end of FY). **Generally 10% of Operating Budget.**
- ❑ **HR FUND:** enables organization to withstand personnel shocks from short-term disability, turnover, extended leave, & allows surge capacity. **10% of Personnel Budget.**
- ❑ **3RM FUND:** for Repair, Renewal, Replacement, and Maintenance work. **TBD by Asset Management Plan.**
- ❑ **NEW CAPITAL FUND:** to cover unbudgeted project overruns, down payments on new capital projects, and/or fund capital projects without borrowing.



GENERAL FUND RESERVES

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

- ❑ Decrease in Total Reserves were all planned minus Broadway Streetscape Project Overrun (estimated at \$75K).
- ❑ We need to keep about \$210K in Operating Cash Fund to cover us until we get our RE Property Tax Revenues in December.



UTILITY FUND DEBT SERVICE

	UTILITY FUND					
Note: as of 1 Mar 2016	DEBT PAYMENT CATEGORY				FY 16 Strategy	
FY	PRINCIPAL	INTEREST	TOTAL	AVAILABILITY REVENUE	ANNUAL OPERATING BUDGET CONTRIBUTION	RESERVE CONTR.
FY 2017	\$ 400,140.56	\$ 121,317.06	\$ 521,457.62	\$ 149,000.00	\$ 105,000.00	\$ 267,457.62
FY 2018	\$ 410,856.06	\$ 112,229.06	\$ 523,085.12	\$ 300,900.00	\$ 110,000.00	\$ 112,185.12
FY 2019	\$ 376,595.74	\$ 92,264.38	\$ 468,860.12	\$ 172,550.00	\$ 115,000.00	\$ 181,310.12
FY 2020	\$ 387,360.41	\$ 84,193.49	\$ 471,553.90	\$ 238,000.00	\$ 120,000.00	\$ 113,553.90
FY 2021	\$ 301,171.15	\$ 75,712.29	\$ 376,883.44	\$ 154,700.00	\$ 125,000.00	\$ 97,183.44
FY 2022	\$ 220,008.61	\$ 65,670.14	\$ 285,678.75	\$ 107,100.00	\$ 130,000.00	\$ 48,578.75
FY 2023	\$ 225,853.41	\$ 55,215.91	\$ 281,069.32	\$ 89,250.00	\$ 135,000.00	\$ 56,819.32
FY 2024	\$ 241,726.76	\$ 44,220.73	\$ 285,947.49	\$ 41,650.00	\$ 140,000.00	\$ 99,297.49
FY 2025	\$ 247,629.60	\$ 32,683.53	\$ 280,313.13	\$ 77,350.00	\$ 145,000.00	\$ 52,963.13
FY 2026	\$ 263,562.94	\$ 20,603.24	\$ 284,166.18	\$ 23,800.00	\$ 150,000.00	\$ 105,366.18
FY 2027	\$ 274,527.82	\$ 12,722.76	\$ 287,250.58	\$ 23,800.00	\$ 155,000.00	\$ 103,450.58
FY 2028	\$ 285,525.28	\$ (3,252.81)	\$ 282,272.47	\$ 23,800.00	\$ 160,000.00	\$ 93,472.47
FY 2029	\$ 31,556.44	\$ 1,887.90	\$ 33,444.34	\$ 17,850.00	\$ 165,000.00	\$ (154,405.66)
FY 2030	\$ 32,622.43	\$ 821.88	\$ 33,444.31	\$ 17,850.00	\$ 170,000.00	\$ (159,405.69)



UTILITY FUND DEBT SERVICE

- **Total UF Debt Remaining- \$4.4M**
 - \$1.4M in Availability Fee Revenues forecasted for debt (and legally available) and \$1.2M in Debt Retirement Fund available to cover debt.
 - \$1.8M total needed over 15 years in Annual Operating Budget Contributions to pay off debt.
- ❖ **With Last Year's Strategy we are on target even with \$100K in Broadway Overruns.**

Availability Revenues

	2017	2018	2019	2020	2021	2022	2023	
Water	\$ 24,300.00	\$ 137,700.00	\$ 218,700.00	\$ 315,900.00	\$ 210,600.00	\$ 145,800.00	\$ 56,700.00	
Sewer	\$ 273,700.00	\$ 464,100.00	\$ 345,100.00	\$ 476,000.00	\$ 309,400.00	\$ 214,200.00	\$ 178,500.00	
Total	\$ 298,000.00	\$ 601,800.00	\$ 563,800.00	\$ 791,900.00	\$ 520,000.00	\$ 360,000.00	\$ 235,200.00	
For Debt	\$ 149,000.00	\$ 300,900.00	\$ 172,550.00	\$ 238,000.00	\$ 154,700.00	\$ 107,100.00	\$ 89,250.00	
	2024	2025	2026	2027	2028	2029	2030	Total
Water	\$ 105,300.00	\$ 72,900.00	\$ 32,400.00	\$ 32,400.00	\$ 32,400.00	\$ 24,300.00	\$ 24,300.00	\$ 1,433,700.00
Sewer	\$ 83,300.00	\$ 154,700.00	\$ 47,600.00	\$ 47,600.00	\$ 47,600.00	\$ 35,700.00	\$ 35,700.00	\$ 2,713,200.00
Total	\$ 188,600.00	\$ 227,600.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 60,000.00	\$ 60,000.00	\$ 4,146,900.00
For Debt	\$ 41,650.00	\$ 77,350.00	\$ 23,800.00	\$ 23,800.00	\$ 23,800.00	\$ 17,850.00	\$ 17,850.00	\$ 1,437,600.00



FUNDING RESERVE ACCOUNTS

- ❑ **DEBT RETIREMENT:** large enough to pay off existing debt after available revenues are applied.
- ❑ **RAINY DAY FUND:** enables organization to remain fiscally stable during National Business Cycle. **5% of Operating Budget.**
- ❑ **30-DAY CASH ON HAND:** enables organization to have cash on hand for emergencies or collapse in revenues.
- ❑ **OPERATING CASH:** enables organization to not have to borrow funds during year when revenues have not caught up to spending, but are projected to (is replenished by end of FY). **10% of Operating Budget.**
- ❑ **HR FUND:** enables organization to withstand personnel shocks from short-term disability, turnover, extended leave, & allows surge capacity. **10% of Personnel Budget.**
- ❑ **3RM FUND:** for Repair, Renewal, Replacement, and Maintenance work. **TBD by Asset Management Plan.**
- ❑ **NEW CAPITAL FUND:** Amount of Availability Fees we get per year not allocated for debt retirement.



UTILITY FUND RESERVES

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

- ❑ Decrease in Total Reserves were all planned minus Broadway Streetscape Overrun (estimated at \$100K).
- ❑ We need to keep about \$180K in Operating Cash Fund to cover us through Q1 when rates are still from previous year.



DEBT/RESERVES SUMMARY FOR GENERAL & UTILITY FUND

- ❑ **GENERAL FUND DEBT:** The Town's \$470K Debt Retirement Fund has a \$39K cushion in paying down the debt in case Meals and Cigarette Taxes do not grow as planned.
- ❑ **GENERAL FUND RESERVES:** All Reserves are adequately funded minus Broadway Overrun impact on the Capital Fund (estimated at \$75K). We need to increase the Operating Cash Fund to \$210K (from \$110K) to cover us until we get our RE Property Tax Revenues in December.
- ❑ **UTILITY FUND DEBT:** With last year's strategy we are on target, even with \$100K in Broadway Overruns, to cover our \$4.4M Debt Obligation.
- ❑ **UTILITY FUND RESERVES:** All Reserves are adequately funded minus Broadway Overrun impact on the Capital Fund. We need to keep about \$180K (from \$100K) in Operating Cash Fund to cover us through Q1 when rates are still from previous year.



DISCUSSION OF THE SELECTED BUDGET OPTION

❑ STAFF/ STAFF SUPPORT CAPACITY + CAPITAL OPTION
WITH NEW REVENUES BEGINNING IN FY 18



Background Data-

**REVENUE ANALYSIS AND
AMOUNT NEEDED TO FINANCE
CAPITAL REQUIREMENTS AND
STAFF SUPPORT**



LONG-TERM CHALLENGE OF FUNDING GF CAPITAL PROJECTS

- ❑ UF Availability Fees allow the Town to cover a large portion of new UF Capital needs and thus decreases the amount we need to borrow over CIP period to \$275K+.
- ❑ On the GF side, there is not this same type of revenue source that can pay off the debt and at the same time add enough revenues for CIP requirements.

The Town is not likely to be able to borrow \$14M+ (est. \$21M+ with interest) to finance GF Capital needs (this \$14M+ assumes that external funding sources cover half of N. Berlin and S. Loudoun) unless we use a portion of Structural Surplus Funds along with new revenues for our priority projects. The Town will also need to achieve its Economic Development Goals to finance most of the CIP within 30 years.

Revenue Analysis- Total out to 2046

FORECASTED EXISTING REVENUES

- Net Capital Contributions (Existing Economic Growth)- \$2.5M+
- Surplus Revenue- \$5.3M+
- Revenue Available after current Debt is Retired- \$2.25M+

Sub-Total- \$10.1M+

PLANNED NEW REVENUES TARGET

- Beginning in FY 18, the Town will explore the best option to both raise new revenues over 30 years to Finance our Capital Goals and Diversify our Revenue sources- existing RE tax rate may go down as we adopt new revenue sources including a Trash Fee and Personal Property Tax) –Please see the Fiscal Policy for more details. *The Town will target \$4.6M+ in new Revenue over 30 Years.*

Sub-Total- \$4.6M+

Total- \$14.7M+

Capital Requirements

Purpose: To ensure our infrastructure is modernized and to support Resident Needs/Satisfaction and Economic Development

Project	Town Cost	Assumption
Economic Development Authority	\$600,000	Town Revenue
Broadway Streetscape 2A	\$850,000	External Funding 50%
Broadway Streetscape 2B + Parking	\$750,000	External Funding 50%
N. Berlin Pike Shared Use Path	\$1,500,000	External Funding 50%
S. Loudoun Streetscape	\$5,000,000	External Funding 33%
New Town Hall	\$4,300,000	Town Revenue
Parks (Town Green, QBP)	\$700,000	Town Revenue
S. Church Streetscape	\$500,000	External Funding 50%
Total	\$14,200,000	\$21M+ total with interest

Staff Support Requirements

Purpose: To ensure better service to our Residents for existing Programs

- ❑ Customer Support FTE to have someone always manning the help-desk/receptionist.
- ❑ Minutes Support for PC to prevent backlogs (consistent with how neighboring jurisdictions manage).
- ❑ Full-Time DPW position and multiple as-needed DPW- to provide full-scale parks maintenance, events support, street sign and sweeping support, handy-man support, and beautification support (i.e. decorating, plant barrels, etc.).
- ❑ Financial Support for quarterly and annual financial statements and oversight (mix of technology and consulting).
- ❑ IT Support- both technical and social media.
- ❑ Transforming Part-Time Events and Tourism Coordinator to a FTE Events and Business Development Coordinator.
- ❑ Higher Pay and Bonuses for Employees- to ensure we are competitive and can keep our talent.

Estimated Cost: \$3.75M+ over 30 years



Selected Budget Strategy Option
(previously Budget Option #3)-

**INVEST FORECASTED REVENUE
AND NEW REVENUE IN BOTH:
CAPITAL PROJECTS + STAFF/
STAFF SUPPORT**

Funding Staff/ Staff Support + Capital Projects (all over 30 Years)

r = interest

New Revenues Option- \$14.7M- available over 30 Years

- ❑ Staff/ Staff Support (\$10K for FY 17) - \$3.75M
- ❑ All of Broadway Streetscape + Downtown Parking- \$3.2M+ (\$4.8M+ with r)
- ❑ EDA Support- \$600K (\$900K with r)
- ❑ Parks Improvements- \$700K (\$1.05M with r)
- ❑ N. Berlin Shared Use Path Match- \$1.5M+ (\$2.25M+ with r)
- ❑ *S. Loudoun Streetscape Match is not an option unless Broadway is 50% funded externally or we accomplish our Economic Development Goals*
- ❑ *New Town Hall is not an option unless S. Loudoun is fully funded and Broadway is 50% funded externally (or N. Berlin is Fully Funded externally) or we accomplish our Economic Development Goals.*

Total- \$9.75M+ (\$12.75M+ with r) - \$1.95M remaining available for S. Loudoun Streetscape



Police Department

- ❑ The Town Council decided that a Lovettsville Department was not needed in FY 17.
- ❑ The Town will establish criteria in FY 17 for assessing when a Police Department is needed in Lovettsville.
- ❑ The Town Council will look to establish a Police Fund in later Fiscal Years in order to be ready to create a Police Department when/if the criteria are met.



PRESENTATION OF ADOPTED BUDGET

GENERAL FUND

UTILITY FUND



GENERAL FUND INCOME STATEMENT



Revenue Category	FY 17	FY 16	Comment
RESIDENTIAL PROPERTY TAX REVENUE	\$ 502,982	\$ 502,587	Property Assessments are flat this year.
ECONOMIC DEVELOPMENT TAX REVENUES	\$ 184,417	\$ 170,319	Commercial/Light Industrial Property Assesments are up (6%), as are Meals (3%) & Business License Revs. (22%).
RESERVE CONTRIBUTION	\$ 261,270	\$ 197,121	\$65K increase in Operating Cash requirement (thus no real revenue gain).
SALES AND OTHER TAXES & REVENUES	\$ 291,700	\$ 276,900	\$17K Increase in Sales Tax Revenue from the County, but a \$8K decrease in Bank Franchise Revenue.
PERMITS, FEES, & LICENSE REVENUE	\$ 12,000	\$ 15,175	More Conservative forecast.
REIMBURSEMENT REVENUE	\$ 163,696	\$ 154,400	\$10K increase from UF Reimbursement (counting all overhead support to personnel supporting UF).
TOTAL REVENUES	\$ 1,416,065	\$ 1,316,501	Out of \$100K increase- \$65K "increase" is from the Operating Cash Reserve and \$10K from UF Reimbursement. Thus only a \$35K real increase in total revenues (primarily from Economic Development and Sales Tax revenues).
Expense Category	FY 17	FY 16	Comment
ADMINISTRATION PROGRAM	\$ 344,802	\$ 345,780	1% growth in Personnel and Overhead Costs. Decrease in TM's hours from Admin. to support Economic Dev. Financial Software change.
CAPITAL & ENGINEERING PROGRAM	\$ 300,243	\$ 251,910	\$45K increase in Capital and 3RM contributions.
PUBLIC WORKS PROGRAM	\$ 236,073	\$ 301,248	Decrease in UF Subsidy to \$0; 6% increase in trash costs due to growth and rates (0% increase in property tax revenues to pay for it- this problem will get worse if NOVA Real Estate demand stops growing in the future.); \$4K in real cuts to Parks sub-program.
PLANNING & ZONING PROGRAM	\$ 133,641	\$ 131,078	\$1K in additional Planning Commission Training.
EVENTS & TOURISM PROGRAM	\$ 97,397	\$ 84,872	\$5K increase via creation of Marketing and Tourism expenditure items + Cross-cutting Event Logistics. \$3K increase in maintenance support due to more accurate budgeting. Increase in Events Coordinator Hours.
ECONOMIC DEVELOPMENT PROGRAM	\$ 63,780	\$ 61,019	Decrease in Economic Development Coordinator Hours to offset increase in Events Coordinator Hours. Town Manager Hours shifted to support Economic Development.
PUBLIC SAFETY PROGRAM	\$ 17,259	\$ 17,848	No Contribution to Police Fund.
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 222,871	\$ 122,745	\$100K increase in Operating Cash Fund contributions to ensure cash on hand first 6 months of the FY.
TOTAL EXPENSES	\$ 1,416,065	\$ 1,316,501	\$23K+ in real expenditure cuts offset by necessary increase in Operating Cash Fund Contribution from estimated FY 16 Surplus.
NET INCOME (SURPLUS/DEFICIT)	\$ 0	\$ (0)	\$35K in real revenue increases (2.6%) and \$23K+ in real expenditure cuts (nearly 2%). Increased contributions to 3RM & New Capital Funds. Surplus Management Strategy- Capital + Staff Support selected (\$13K to Capital/\$10K to Staff Support.



GENERAL FUND PROGRAM BUDGET



Revenue Category	FY 17	FY 18	FY 19	FY 20
RESIDENTIAL PROPERTY TAX REVENUE	\$ 502,982	\$ 522,989	\$ 553,906	\$ 579,538
ECONOMIC DEVELOPMENT TAX REVENUES	\$ 184,417	\$ 190,255	\$ 196,320	\$ 202,620
RESERVE CONTRIBUTION	\$ 261,270	\$ 255,289	\$ 256,332	\$ 257,114
SALES AND OTHER TAXES & REVENUES	\$ 291,700	\$ 301,107	\$ 310,866	\$ 320,991
PERMITS, FEES, & LICENSE REVENUE	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
REIMBURSEMENT REVENUE	\$ 163,696	\$ 165,053	\$ 166,424	\$ 167,809
TOTAL REVENUES	\$ 1,416,065	\$ 1,446,694	\$ 1,495,848	\$ 1,540,072
Expense Category	FY 17	FY 18	FY 19	FY 20
ADMINISTRATION PROGRAM	\$ 344,802	\$ 338,150	\$ 341,531	\$ 344,947
CAPITAL & ENGINEERING PROGRAM	\$ 300,243	\$ 293,953	\$ 301,054	\$ 308,401
PUBLIC WORKS PROGRAM	\$ 236,073	\$ 245,275	\$ 257,492	\$ 268,541
PLANNING & ZONING PROGRAM	\$ 133,641	\$ 134,778	\$ 135,927	\$ 137,087
EVENTS & TOURISM PROGRAM	\$ 97,397	\$ 98,654	\$ 99,919	\$ 101,191
ECONOMIC DEVELOPMENT PROGRAM	\$ 63,780	\$ 64,418	\$ 65,062	\$ 65,712
PUBLIC SAFETY PROGRAM	\$ 17,259	\$ 17,296	\$ 17,334	\$ 17,372
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 222,871	\$ 225,077	\$ 227,304	\$ 229,553
TOTAL EXPENSES	\$ 1,416,065	\$ 1,417,600	\$ 1,445,622	\$ 1,472,805
NET INCOME (SURPLUS/DEFICIT)	\$ 0	\$ 29,093	\$ 50,227	\$ 67,267

- 10 Year Operating Budget Forecast to determine strategy for investing structural surpluses (i.e. Capital Contributions, Police, and/or Staff Support Capacity) or addressing structural deficits (spending reductions and/or new revenues).



GENERAL FUND PROGRAM BUDGET

Continued



Revenue Category	FY 21	FY 22	FY 23	FY 24
RESIDENTIAL PROPERTY TAX REVENUE	\$ 614,876	\$ 641,706	\$ 662,263	\$ 681,893
ECONOMIC DEVELOPMENT TAX REVENUES	\$ 209,165	\$ 215,968	\$ 223,039	\$ 230,390
RESERVE CONTRIBUTION	\$ 238,346	\$ 254,484	\$ 255,560	\$ 255,743
SALES AND OTHER TAXES & REVENUES	\$ 331,495	\$ 342,395	\$ 353,704	\$ 365,439
PERMITS, FEES, & LICENSE REVENUE	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
REIMBURSEMENT REVENUE	\$ 169,207	\$ 170,620	\$ 172,047	\$ 173,488
TOTAL REVENUES	\$ 1,575,090	\$ 1,637,173	\$ 1,678,613	\$ 1,718,952
Expense Category	FY 21	FY 22	FY 23	FY 24
ADMINISTRATION PROGRAM	\$ 348,396	\$ 351,880	\$ 355,399	\$ 358,953
CAPITAL & ENGINEERING PROGRAM	\$ 316,005	\$ 323,876	\$ 332,026	\$ 340,467
PUBLIC WORKS PROGRAM	\$ 282,087	\$ 293,719	\$ 304,037	\$ 314,344
PLANNING & ZONING PROGRAM	\$ 138,259	\$ 139,442	\$ 140,638	\$ 141,845
EVENTS & TOURISM PROGRAM	\$ 102,246	\$ 103,099	\$ 103,960	\$ 104,830
ECONOMIC DEVELOPMENT PROGRAM	\$ 66,369	\$ 67,033	\$ 67,703	\$ 68,380
PUBLIC SAFETY PROGRAM	\$ 17,411	\$ 17,450	\$ 17,490	\$ 17,530
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 231,825	\$ 234,120	\$ 236,437	\$ 238,778
TOTAL EXPENSES	\$ 1,502,598	\$ 1,530,620	\$ 1,557,691	\$ 1,585,128
NET INCOME (SURPLUS/DEFICIT)	\$ 72,492	\$ 106,553	\$ 120,922	\$ 133,825

- **Revenues:** Incorporates impact of housing growth and assumes an average of 1% increase in value per year of housing stock. Does not forecast Engle or Town Square Revenue Growth. Assumes no to 1% growth for all other categories.



GENERAL FUND PROGRAM BUDGET

Continued



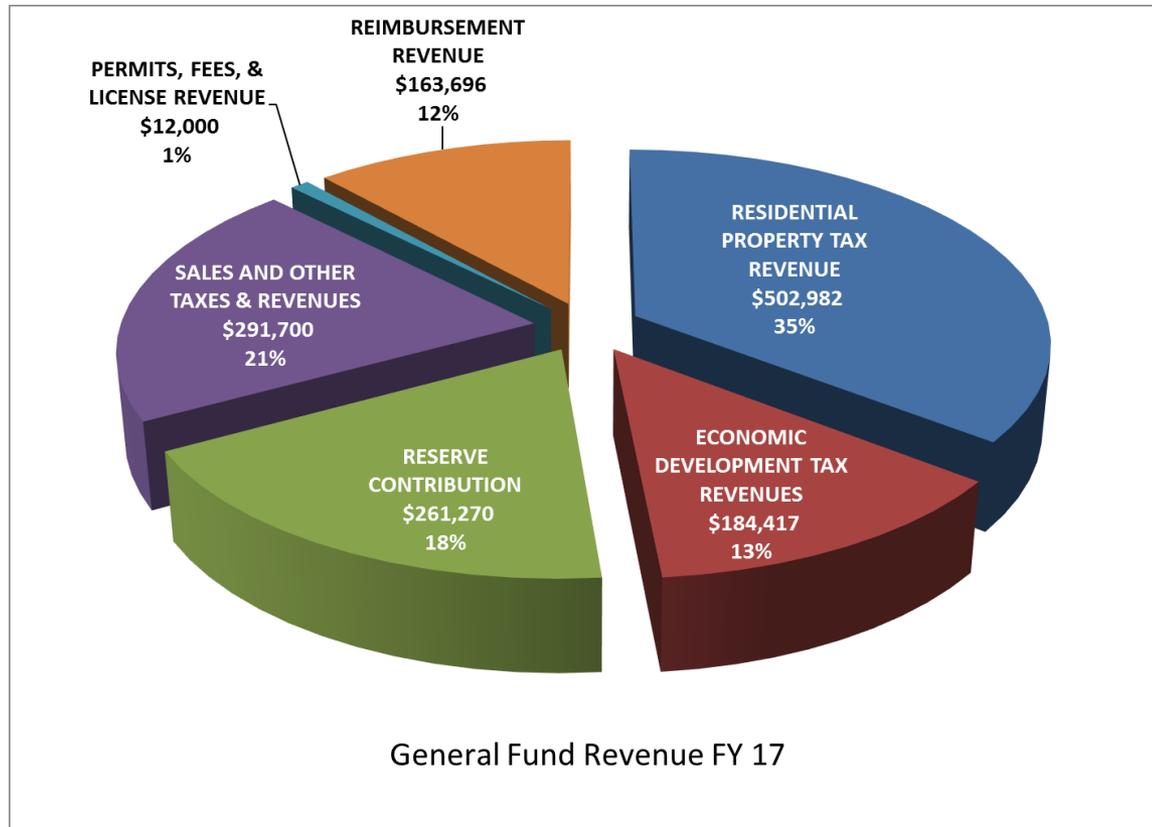
Revenue Category	FY 25	FY 26
RESIDENTIAL PROPERTY TAX REVENUE	\$ 696,451	\$ 715,914
ECONOMIC DEVELOPMENT TAX REVENUES	\$ 238,034	\$ 245,983
RESERVE CONTRIBUTION	\$ 255,392	\$ 249,960
SALES AND OTHER TAXES & REVENUES	\$ 378,416	\$ 391,253
PERMITS, FEES, & LICENSE REVENUE	\$ 12,000	\$ 12,000
REIMBURSEMENT REVENUE	\$ 174,943	\$ 176,413
TOTAL REVENUES	\$ 1,755,235	\$ 1,791,523
Expense Category	FY 25	FY 26
ADMINISTRATION PROGRAM	\$ 362,543	\$ 366,168
CAPITAL & ENGINEERING PROGRAM	\$ 349,211	\$ 358,272
PUBLIC WORKS PROGRAM	\$ 323,553	\$ 334,394
PLANNING & ZONING PROGRAM	\$ 143,065	\$ 144,296
EVENTS & TOURISM PROGRAM	\$ 105,709	\$ 106,597
ECONOMIC DEVELOPMENT PROGRAM	\$ 69,064	\$ 69,755
PUBLIC SAFETY PROGRAM	\$ 17,570	\$ 17,611
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 241,142	\$ 243,530
TOTAL EXPENSES	\$ 1,611,857	\$ 1,640,622
NET INCOME (SURPLUS/DEFICIT)	\$ 143,378	\$ 150,900

- ❑ **EXPENDITURES:** Assumes 1% growth in pay per year and for most programs. Big exception is the Trash Expenditure item which will grow by 3% per year based on current contract (not including added costs from new customers due to housing stock growth).



FY 17 GENERAL FUND REVENUES

- Residential Property taxes stayed flat, however continues to be largest share of revenue.
- Category for Economic Development Revenues (Commercial and Light Industrial Property, Meals Tax, Cigarette Tax, and Business License Fee) developed to earmark to Debt and Capital Financing. This allows us to measure Economic Growth in the Future and impact of specific developments.

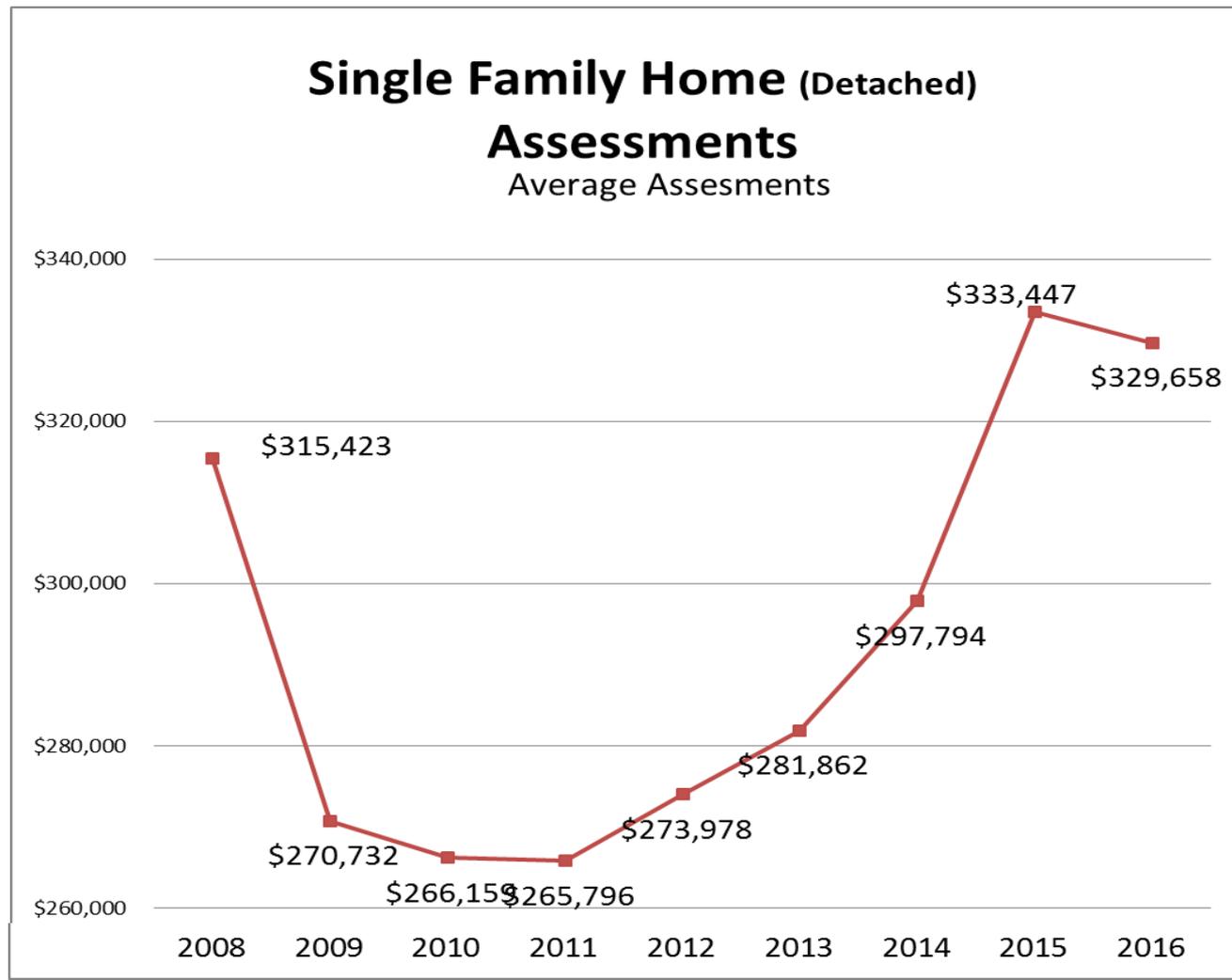


- County Sales Tax Revenues continue to grow thanks to the growing share of school age population of the Town.



GENERAL FUND REVENUES- REAL ESTATE ASSESSMENT

- Average assessments for Single Family Detached have fallen for the first time since 2011 when the town bottomed out from the Recession.
- Economic Property (only 3% of properties), grew from 5% of total share of Property Tax Revenue to 6% this FY.

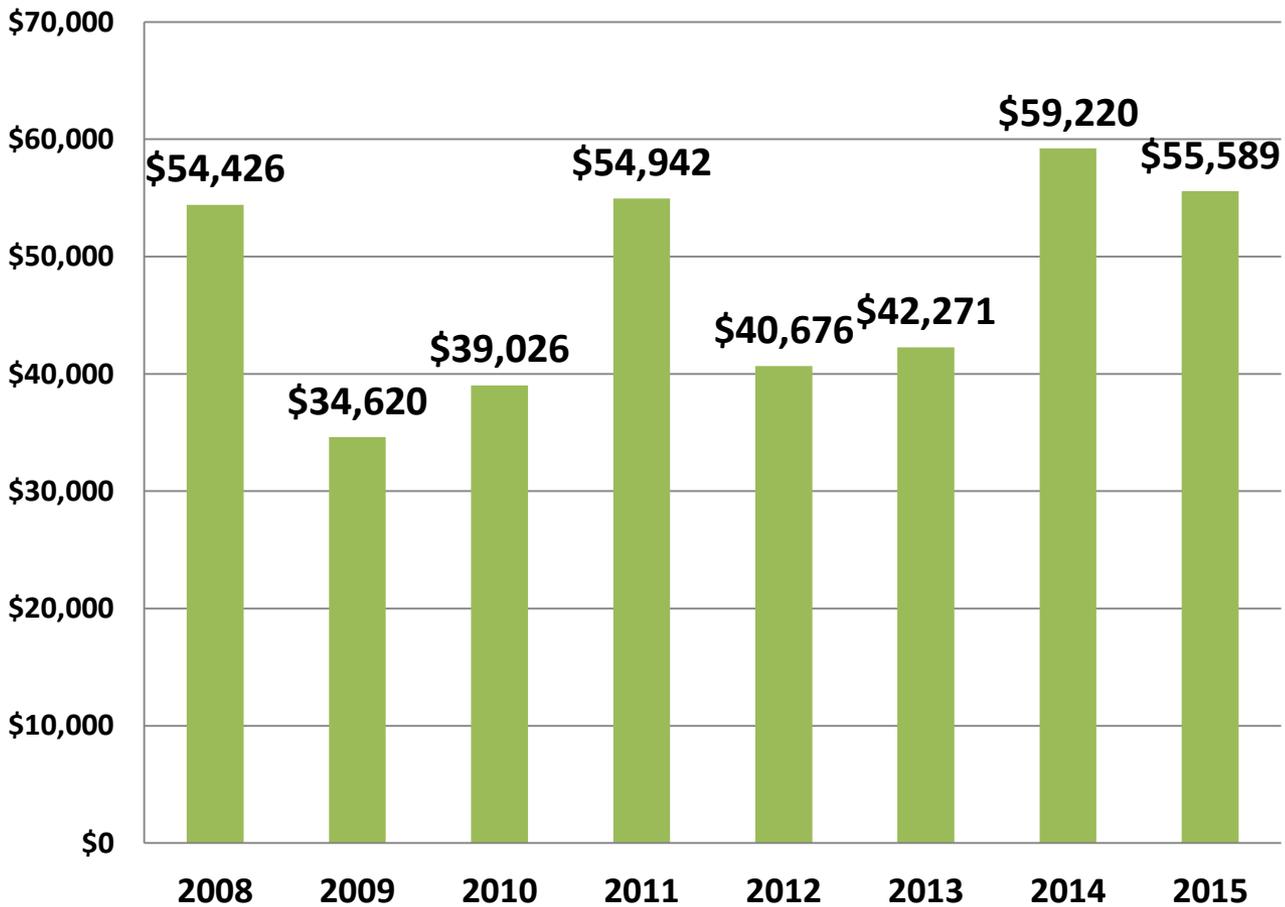




GENERAL FUND REVENUES- BUSINESS LICENSE REVENUES

□ We are seeing a flattening of Business License Revenues to \$55K. This is a tricky revenue source to forecast since 62% of revenue comes from out of town businesses (80% of which are construction related). In the long-term construction revenue will fall, but will be offset by Economic Development.

Business License Revenue

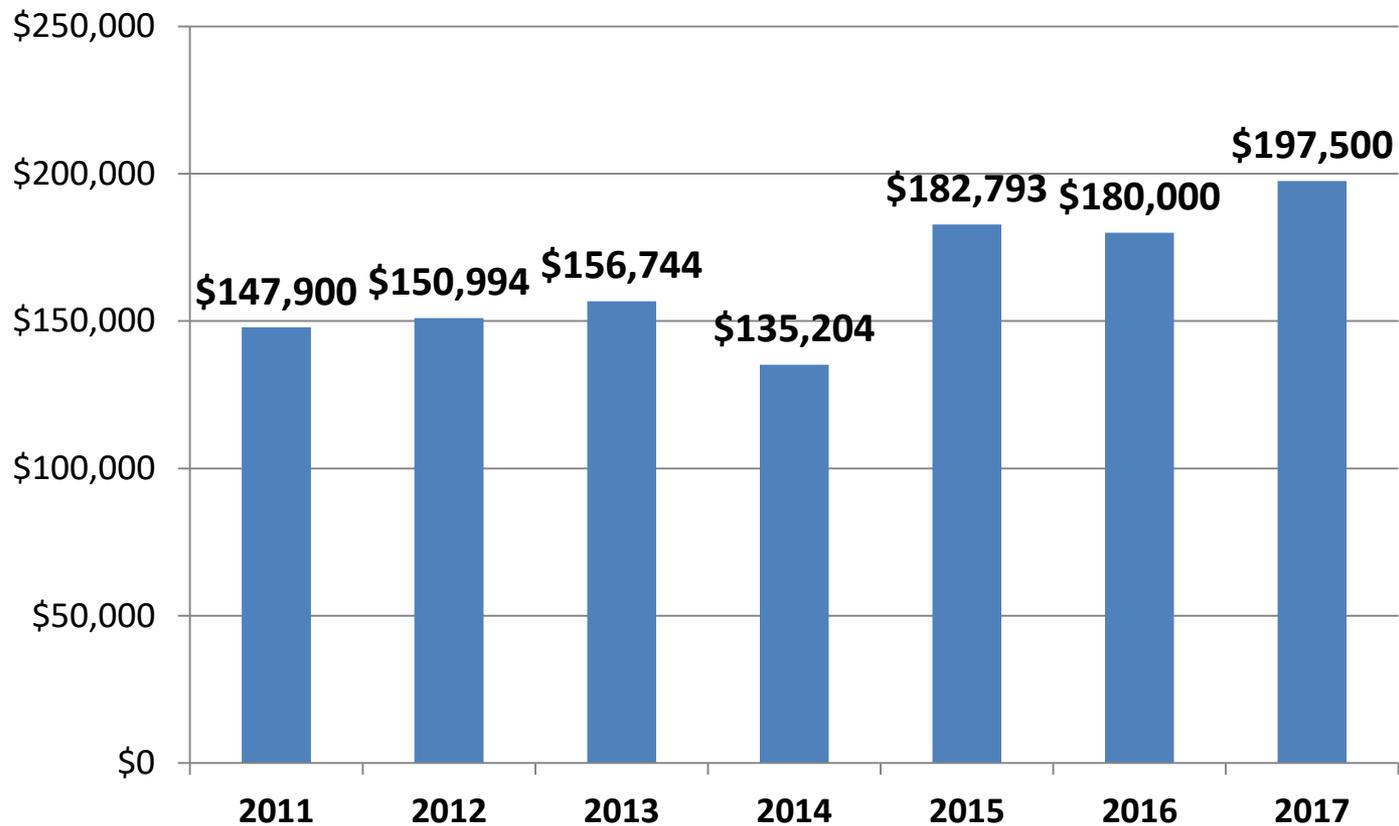




GENERAL FUND REVENUES- SALES TAX REVENUES

- In FY 16, we are expecting a 19% increase (to \$180K) in revenues by the end of the year. In FY 17 we have a 9% increase to \$197K based on latest County data showing our share of school age children increasing.

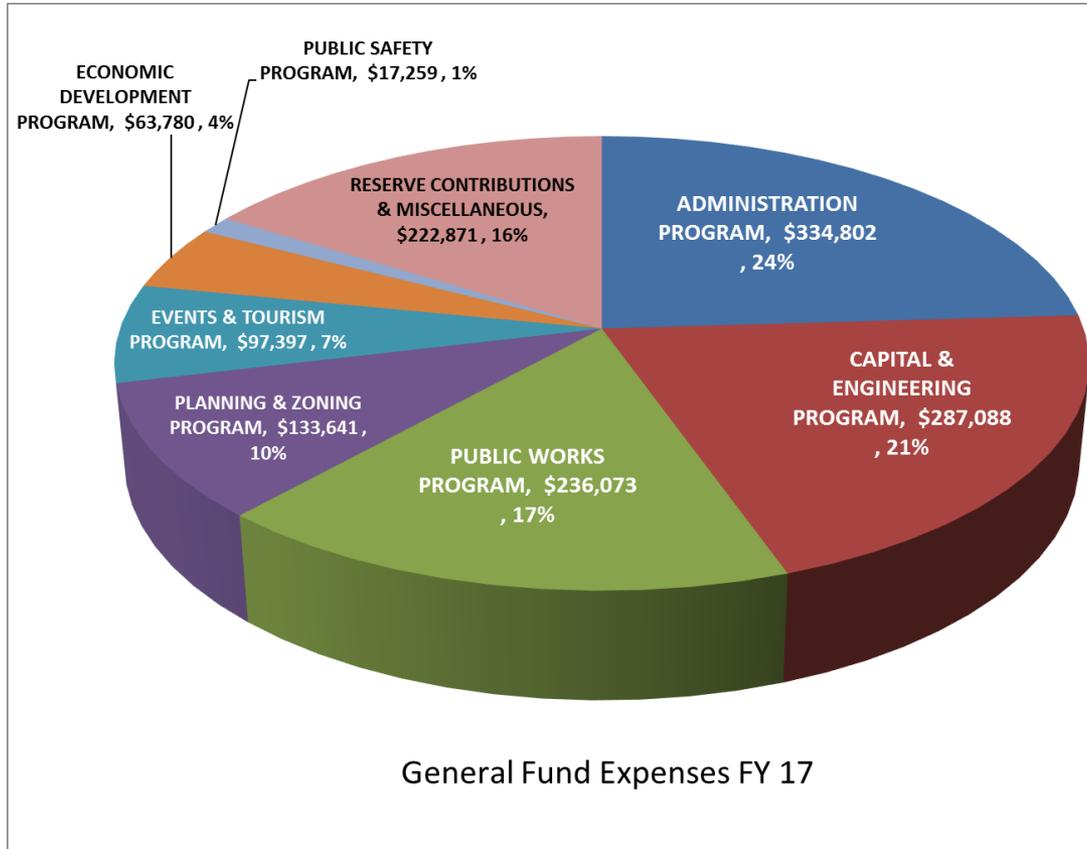
Sales Tax Revenue Received from County





FY 17 GENERAL FUND EXPENDITURES

- Programs cut or flat minus an increase in Capital, Financial System, & Tourism Marketing.
- No new positions created or backfilled. However hours cut from Economic Development Coordinator and shifted to Events & Tourism Coordinator. Town Manager Hours shifted to Economic Development Program.
- .90% COLA for employees based on average of BLS Wage increases and Federal COLA.



- Trash Costs grew faster than Property Tax Revenues. Will continue to take up a larger share of expenditures if property values stay flat or grow at less than 3%.



GENERAL FUND 15-YEAR CIP

Revenue Category	Total \$	Comment
NEW CAPITAL SPENDING FUND	\$ 309,523.59	How much we will allocate to cover new capital spending based on Capital Fund Contributions.
3RM FUND CONTRIBUTION	\$ 147,476.41	For major Repair, Renewals, and Replacement projects (over \$5K)
BORROWED SOURCES	\$ 3,700,000.00	To finance EDA/Broadway/N. Berlin Shared Use Path
EXTERNAL SOURCES	\$ 3,100,000.00	Goal- VDOT/County Shares of Broadway and N. Berlin Shared Use Path
TOTAL REVENUES	\$ 7,257,000.00	
Expense Category	Total \$	Comment
MASTER PLANS	\$ 30,000.00	Engle Tract, EDA Plan, Town Square, Asset Management
EDA SUPPORT	\$ 600,000.00	Funding Support for Infrastructure development; Acquisition of VDOT Land on Town Square.
BROADWAY STREETScape	\$ 3,260,000.00	Storm Pond, Phase 2A, Phase 2B, Public Parking
TOWN SQUARE IMPROVEMENTS	\$ 103,500.00	Clocktower Face, Holiday Tree, Water Feature, Sidewalk on North Side (Drainage Ditch area)
SHARED USE PATH PHASE II- NORTH BERLIN TURNPIKE	\$ 3,000,000.00	Completion of Shared Use Path to North.
TOWN HALL	\$ 325,000.00	Interim Solutions (Improvements and/or Rent)
TOWN GREEN PARK	\$ 5,000.00	Shelter for Porta-Pot
QUARTER BRANCH PARK	\$ 32,700.00	Fence, Yard Hydrant, and Lean Back
TOTAL EXPENSES	\$ 7,257,000.00	
NET INCOME (SURPLUS/DEFICIT)	\$ 0.00	



GENERAL FUND FY 17 CAPITAL BUDGET

	CATEGORIES	BRIEF DESCRIPTION	TOTAL (FY 17)
GF	FUNDING- GENERAL FUND		
	NEW CAPITAL SPENDING FUND	How much we will allocate to cover new capital spending based on Capital Fund Contributions.	\$ 50,000
	3RM FUND CONTRIBUTION	For major Repair, Renewals, and Replacement projects (over \$5K)	\$ 28,500
	BORROWED SOURCES		
	NONE IN FY 17	NONE	\$ -
GF	TOTAL FUNDING AVAILABLE		\$ 78,500
GF	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
	CLOCKTOWER	Clock Face 1 - priority 1	\$ 25,000
	SHARED USE PATH PHASE 1	Replacing guardrails	\$ 2,000
	Northside Bike Station	Potential Easements	\$ 5,000
	TOWN HALL		
	INTERIM TOWN HALL SUPPORT	Improvements to existing Town Hall or Rent Payments for interim solution	\$ 15,000
	QUARTER BRANCH PARK - in order of Priority		
	FENCE FOR BACK STORAGE AREA		\$ 8,000
	YARD HYDRANT FOR COMMUNITY GARDEN		\$ 3,500
GF	TOTAL COST		\$ 78,500
GF	NET TOTAL (REVENUES - EXPENDITURES)		\$ (0)



UTILITY FUND INCOME STATEMENT



Revenue Category	FY 17	FY 16	Comment
USAGE FEE REVENUE	\$ 931,982	\$ 839,648	12% Rates Increase to achieve last year's 30% goal to zero out GF subsidy (16% last year + 12% compounded this year= 30% rate increase last year). Also considers new customers from added housing stock.
CONNECTION & AVAILABILITY FEE REVENUE	\$ 344,000	\$ 340,800	An increase of 4 houses expected from FY 16, however fewer water availability fee's forecasted than last year.
RESERVE CONTRIBUTION	\$ 447,458	\$ 366,259	\$80K increase in Operating Fund requirement needed to cover period prior to rate adjustments in 2nd quarter of FY; funded by expected FY 16 Operating Surplus.
OTHER REVENUE	\$ 77,486	\$ 151,584	No GF Subsidy in FY17.
REIMBURSEMENT REVENUE	\$ 12,000	\$ 15,175	More Conservative forecast.
TOTAL REVENUES	\$ 1,806,926	\$ 1,713,292	Decline in GF Subsidy Revenue offset by User Rate Increases. Thus only an \$18K real increase in revenue in FY 17 since Operating Cash "increase" is recycled into budget.
Expense Category	FY 17	FY 16	
GENERAL FUND OVERHEAD	\$ 133,746	\$ 123,850	Decrease percentages of personnel costs, however, this year also allocated non-personnel GF overhead support to UF as is done for all Town Government Programs.
GENERAL SERVICES	\$ 97,450	\$ 95,149	Increase in electricity costs and IT equipment.
UTILITY SUPPLIES & EQUIPMENT	\$ 48,000	\$ 45,050	Increased cost of chemicals, sample testing supplies, tools, and safety supplies.
CONTRACT SUPPORT SERVICES	\$ 56,000	\$ 65,500	More Conservative forecast of inspection revenues and expenditures.
CAPITAL & DEBT MANAGEMENT SERVICES	\$ 693,458	\$ 689,059	Expected/Planned increase in Debt Payments. Will decrease dramatically starting in FY 19.
UTILITY OPS/REPAIR/MAINTENANCE SERVICES	\$ 582,098	\$ 572,850	2% increase in Wages + increased cost of equipment and system repairs.
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 196,175	\$ 121,833	\$80K increase in Operating Fund requirement needed to cover period prior to rate adjustments in 2nd quarter of FY; funded by expected FY 16 Operating Surplus.
TOTAL EXPENSES	\$ 1,806,926	\$ 1,713,292	A real increase of \$13K from FY 16 (>1%). \$80K "increase" in the Operating Cash recycled contribution.
NET INCOME (SURPLUS/DEFICIT)	\$ 0	\$ 0	\$5K real budget surplus invested in Debt and 3RM as planned by Water and Sewer Study. This year's rate increase was to eliminate GF Subsidies and begin adding contributions to 3RM and Debt Retirement Funds.



UTILITY FUND PROGRAM BUDGET



Revenue Category	FY 17	FY 18	FY 19	FY 20
USAGE FEE REVENUE	\$ 931,982	\$ 979,548	\$ 1,050,134	\$ 1,097,656
CONNECTION & AVAILABILITY FEE REVENUE	\$ 344,000	\$ 679,800	\$ 844,500	\$ 1,193,800
RESERVE CONTRIBUTION	\$ 447,458	\$ 292,185	\$ 363,110	\$ 297,172
OTHER REVENUE	\$ 77,486	\$ 78,251	\$ 79,023	\$ 79,804
REIMBURSEMENT REVENUE	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
TOTAL REVENUES	\$ 1,806,926	\$ 2,035,784	\$ 2,342,768	\$ 2,674,432
Expense Category	FY 17	FY 18	FY 19	FY 20
GENERAL FUND OVERHEAD	\$ 133,746	\$ 135,083	\$ 136,434	\$ 137,798
GENERAL SERVICES	\$ 97,450	\$ 98,520	\$ 99,599	\$ 100,688
UTILITY SUPPLIES & EQUIPMENT	\$ 48,000	\$ 49,440	\$ 50,929	\$ 52,457
CONTRACT SUPPORT SERVICES	\$ 56,000	\$ 56,720	\$ 58,362	\$ 60,045
CAPITAL & DEBT MANAGEMENT SERVICES	\$ 693,458	\$ 854,022	\$ 1,083,078	\$ 1,386,576
UTILITY OPS/REPAIR/MAINTENANCE SERVICES	\$ 582,098	\$ 643,509	\$ 704,213	\$ 724,837
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 196,175	\$ 198,491	\$ 210,153	\$ 212,030
TOTAL EXPENSES	\$ 1,806,926	\$ 2,035,784	\$ 2,342,768	\$ 2,674,432
NET INCOME (SURPLUS/DEFICIT)	\$ 0	\$ 0	\$ 0	\$ 0

- 10 Year Operating Budget Forecast to determine Utility Rates and how much we can to allocate to Debt Retirement and 3RM Fund.



UTILITY FUND PROGRAM BUDGET Continued

Revenue Category	FY 21	FY 22	FY 23	FY 24
USAGE FEE REVENUE	\$ 1,163,384	\$ 1,212,782	\$ 1,250,792	\$ 1,286,690
CONNECTION & AVAILABILITY FEE REVENUE	\$ 790,600	\$ 549,800	\$ 329,900	\$ 315,900
RESERVE CONTRIBUTION	\$ 282,638	\$ 235,887	\$ 246,001	\$ 290,371
OTHER REVENUE	\$ 80,592	\$ 81,388	\$ 82,191	\$ 83,003
REIMBURSEMENT REVENUE	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
TOTAL REVENUES	\$ 2,323,213	\$ 2,085,857	\$ 1,914,885	\$ 1,981,964
Expense Category	FY 21	FY 22	FY 23	FY 24
GENERAL FUND OVERHEAD	\$ 139,176	\$ 140,568	\$ 141,974	\$ 143,393
GENERAL SERVICES	\$ 101,787	\$ 102,895	\$ 104,014	\$ 105,144
UTILITY SUPPLIES & EQUIPMENT	\$ 54,031	\$ 55,652	\$ 57,321	\$ 59,041
CONTRACT SUPPORT SERVICES	\$ 61,231	\$ 61,518	\$ 61,809	\$ 62,104
CAPITAL & DEBT MANAGEMENT SERVICES	\$ 1,011,505	\$ 751,101	\$ 556,556	\$ 599,523
UTILITY OPS/REPAIR/MAINTENANCE SERVICES	\$ 741,552	\$ 758,270	\$ 775,417	\$ 793,005
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 213,932	\$ 215,854	\$ 217,794	\$ 219,754
TOTAL EXPENSES	\$ 2,323,213	\$ 2,085,857	\$ 1,914,885	\$ 1,981,964
NET INCOME (SURPLUS/DEFICIT)	\$ 0	\$ 0	\$ (0)	\$ 0

- **Revenues:** Incorporates impact of housing growth. Utility Rates need to rise by 12% in FY 17, followed 3% in FY 18 and 19, and then 1.3% thereafter.



UTILITY FUND PROGRAM BUDGET Continued



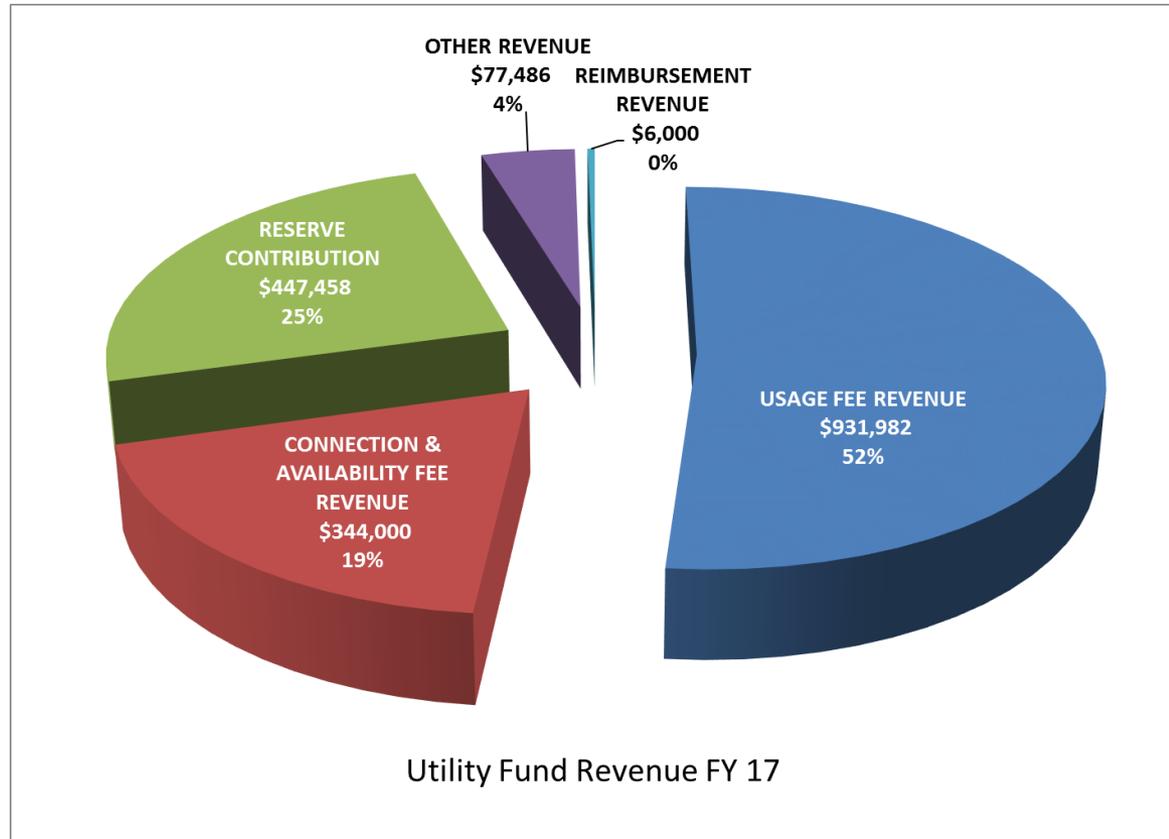
Revenue Category	FY 25	FY 26
USAGE FEE REVENUE	\$ 1,313,453	\$ 1,349,043
CONNECTION & AVAILABILITY FEE REVENUE	\$ 334,500	\$ 138,400
RESERVE CONTRIBUTION	\$ 245,947	\$ 300,280
OTHER REVENUE	\$ 83,823	\$ 84,652
REIMBURSEMENT REVENUE	\$ 12,000	\$ 12,000
TOTAL REVENUES	\$ 1,983,724	\$ 1,878,375
Expense Category	FY 25	FY 26
GENERAL FUND OVERHEAD	\$ 144,827	\$ 146,276
GENERAL SERVICES	\$ 106,283	\$ 107,433
UTILITY SUPPLIES & EQUIPMENT	\$ 60,812	\$ 62,636
CONTRACT SUPPORT SERVICES	\$ 62,404	\$ 62,707
CAPITAL & DEBT MANAGEMENT SERVICES	\$ 576,616	\$ 446,031
UTILITY OPS/REPAIR/MAINTENANCE SERVICES	\$ 811,049	\$ 829,561
RESERVE CONTRIBUTIONS & MISCELLANEOUS	\$ 221,733	\$ 223,733
TOTAL EXPENSES	\$ 1,983,724	\$ 1,878,375
NET INCOME (SURPLUS/DEFICIT)	\$ (0)	\$ 0

- EXPENDITURES:** Assumes steady 1-3% growth for most items, however debt payments and reserve contributions will fluctuate according to debt schedule and available revenues for 3RM contributions. Also, will add a Miss Utility Capacity in FY 18 which will increase Utility Operations Cost.



FY 17 UTILITY FUND REVENUES

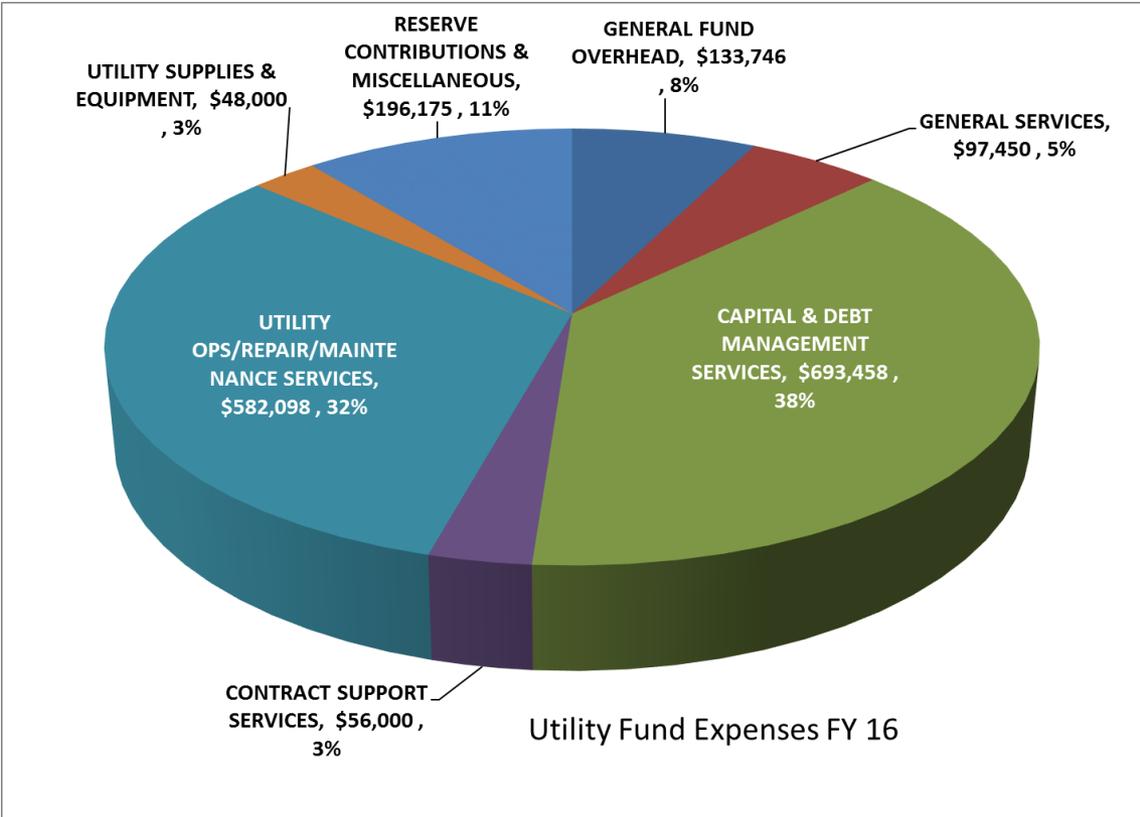
- Assumes 23 new Water & Sewer Connection Fees , 3 Water Availability Fees, and 23 Sewer Availability Fees. If 7-11 is approved then the \$ amount would be higher.
- \$0 received from GF Subsidy.
- Operating Cash Reserve increased from \$110K to \$180K to ensure we have cash in Q1.
- Assumes continued 12% Utility Rate increases for final 3 quarters of FY 17.





FY 17 UTILITY FUND EXPENDITURES

- No new positions budgeted for. We will budget for a Miss Utility Capability in FY 18 for Council approval.
- 2% COLA/Salary increase.
- Created new line items for Technology, small-scale Facility Repairs, and replaced multiple line items that were expenditures to contributions to 3RM such as for I&I, Stone/Gravel, and Water Meters.



- A significant increase in contribution to Debt Retirement Fund and 3RM Fund.



UTILITY FUND 15-YEAR CIP

Revenue Category	Total \$	Comment
NEW CAPITAL SPENDING FUND	\$ 2,577,300.00	How much we have allocated to cover new capital spending from our existing reserves.
3RM FUND CONTRIBUTION	\$ 1,676,746.28	Major Repair, Renewals, and Replacement projects (over \$5K)
BORROWED SOURCES	\$ 247,953.72	Loan Taken out to cover shortfall
TOTAL REVENUES	\$ 4,502,000.00	
Expense Category	Total \$	Comment
WWTP DEFICIENCY CORRECTIONS	\$ 2,040,000.00	EQ Basin and other corrections (English Issue)
MISS UTILITY EQUIPMENT	\$ 7,000.00	Rigid Seektech SR-24 (\$3.5K), Rigid Signal transmitter (\$2K), Other Miscellaneous equipment (\$1.5K)
RADIO READ METER CHANGE OUT	\$ 150,000.00	Replace Large Meters, Manuar Read Meters, and Touch Meters; Antenna for Remote Reading
WTP IMPROVEMENTS	\$ 130,000.00	INSTALL A NEW VFD AT KR AND RV; Green Sand Filter Media Change Out; Install Transducers in Wells and SCADA for data
NEW ELEVATED WATER TANK	\$ 1,200,000.00	
WATER LINE REPLACEMENT		
BROADWAY PHASE 2A + 2B	\$ 350,000.00	Broad Way- between Light Street and Park Place + between Light Street to Town Square
LOUDOUN STREET	\$ 500,000.00	Loudoun Street Improvements
DIGGING BUCKET FOR TRACTOR	\$ 10,000.00	Attachment for tractor that would allow the operators to dig up and possibly repair some of minor breaks.
MASTER PLANS	\$ 115,000.00	Asset Management Plan, Water and Sewer Rate Study, Water and Sewer Master Plan
TOTAL EXPENSES	\$ 4,502,000.00	
NET INCOME (SURPLUS/DEFICIT)	\$ -	



UTILITY FUND FY 17 CAPITAL BUDGET

CATEGORIES	BRIEF DESCRIPTION	TOTAL (FY 17)
FUNDING- UTILITIES FUND		
NEW CAPITAL SPENDING FUND	How much we have allocated to cover new capital spending from our existing reserves.	\$ 17,000
3RM FUND CONTRIBUTION	Major Repair, Renewals, and Replacement projects (over \$5K)	\$ 23,000
TOTAL FUNDING AVAILABLE		\$ 40,000
PROJECTS- UTILITIES FUND		
WWTP Deficiency Corrections- Consulting Services	Legal \$20K, Engineering \$70K, Strategy \$10K	\$ 20,000
MISS UTILITY EQUIPMENT	Rigid Seektech SR-24 (\$3.5K), Rigid Signal transmitter (\$2K), Other Miscellaneous equipment (\$1.5K)	\$ 5,000
DEVELOP ASSET MANAGEMENT PLAN	Inventory of equipment and determining Life Span so we can develop 3RM fund.	\$ 15,000
TOTAL COST		\$ 40,000
NET TOTAL (REVENUES - EXPENDITURES)		\$ -



BUDGET SUMMARY FOR GENERAL & UTILITY FUND

- **GF:** Capital + Staff/ Staff Support Budget Option selected. \$23K GF Surplus in FY 17 was allocated to Capital (\$13K+) and for New Financial System transition support (\$10K).
 - ❖ **Revenues:** Residential Property taxes are flat. Economic Development Revenues (8%) and Sales Tax Revenues (9.7%) up strongly. Operating Cash Fund increased to ensure we have cash until RE Property Taxes arrive in December.
 - ❖ **Expenditures:** \$45K contribution to New Capital and 3RM Funds. \$0 Subsidy to UF. Trash Cost increases outpace Property Taxes. .90% COLA. \$4K cut in Parks. \$5K increase for Marketing and Tourism.

- **UF:** Balanced Budget with planned revenue goals to build up Debt Retirement Fund and 3RM Fund is on target, all else being equal.
 - ❖ **Revenues:** 12% Rate Increase per goal of \$0 GF Subsidy. A four house increase in forecast from FY 16 for Availability Revenues. Operating Cash Fund increased to ensure we have enough cash for Q1.
 - ❖ **Expenditures:** 1% COLA +1% Wage Enhancement for competitiveness. No Miss Utility program in FY 17, however equipment acquisition will begin. Increased cost for technology, chemicals, safety supplies, tools, and sample testing supplies.



THANK YOU!

