



Proposed Fiscal Year 2021
Operating Budget and Capital Improvement
Program Fiscal Year 2021-2025

David A. Mekarski, AICP, Town Manager

Wednesday, March 18, 2020

7:00 PM

Accomplishments Leading into Fiscal Year 2021 Budget



Town Council's Strategic Initiatives, Vision, Mission and Core Values

- 1) Promote Community and Economic Well-Being**
- 2) Practice Good Governance**
- 3) Strengthen Community Partnerships**
- 4) Fund the Future**



Purcellville's Proposed Fiscal Year 2021 Budget

- The total budget
 - General Fund, Parks and Recreation, Water, Wastewater and CIP
- Balances projected revenues and expenditures of \$21.670 million

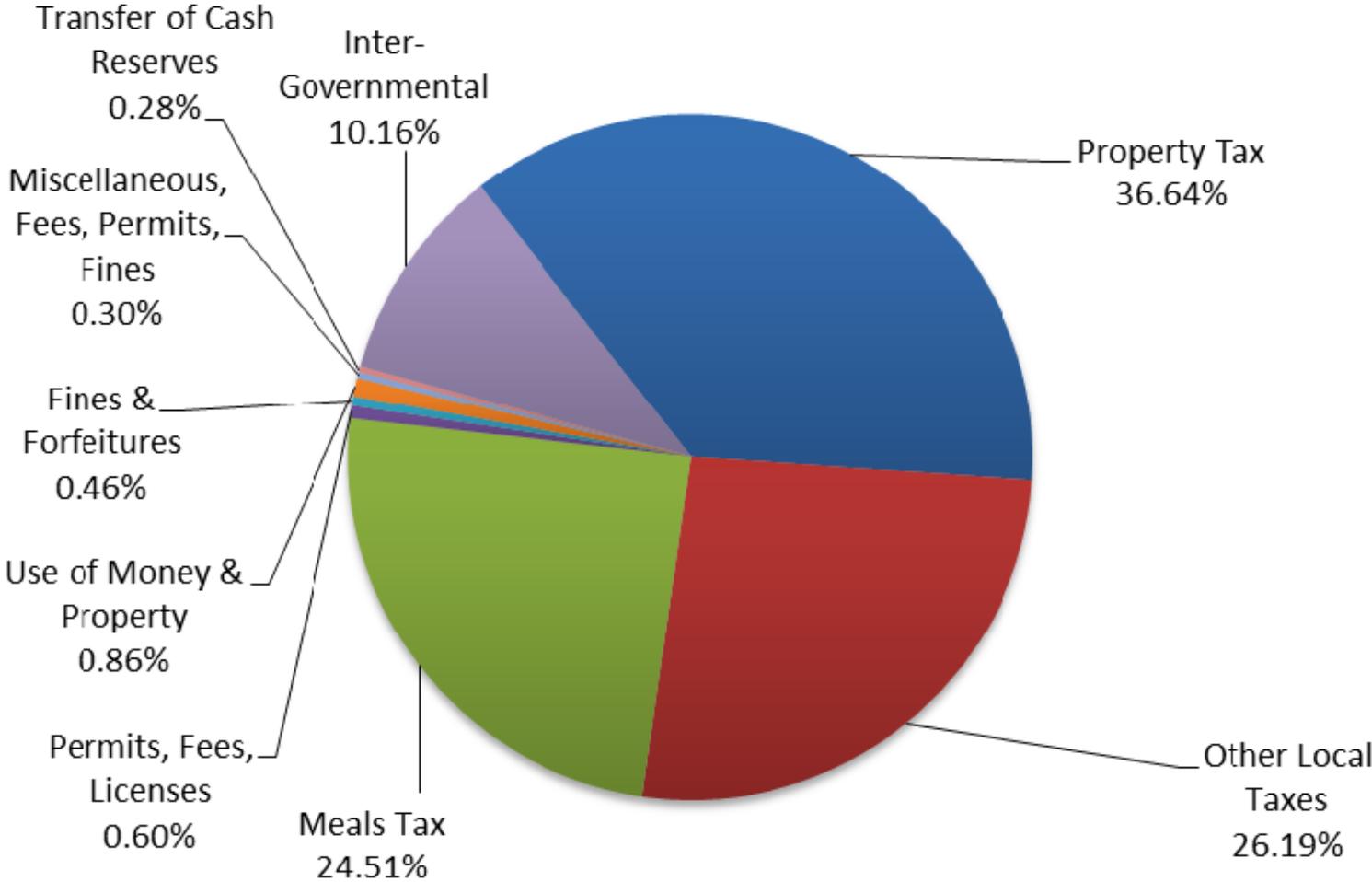
	Adopted FY20	Town Manger Proposed FY21	\$ Change	% Change
Governmental	11.745	12.470	0.725	6%
Utility	7.305	7.677	0.371	5%
CIP	4.678	1.523	(3.155)	(67%)
Total	\$23.729	\$21.670	(\$2.058)	(9%)

- Represents a (9%) decrease (\$23.729) million adopted FY 2020 versus \$21.670 million proposed FY 2021.

GENERAL FUND



General Fund Revenues

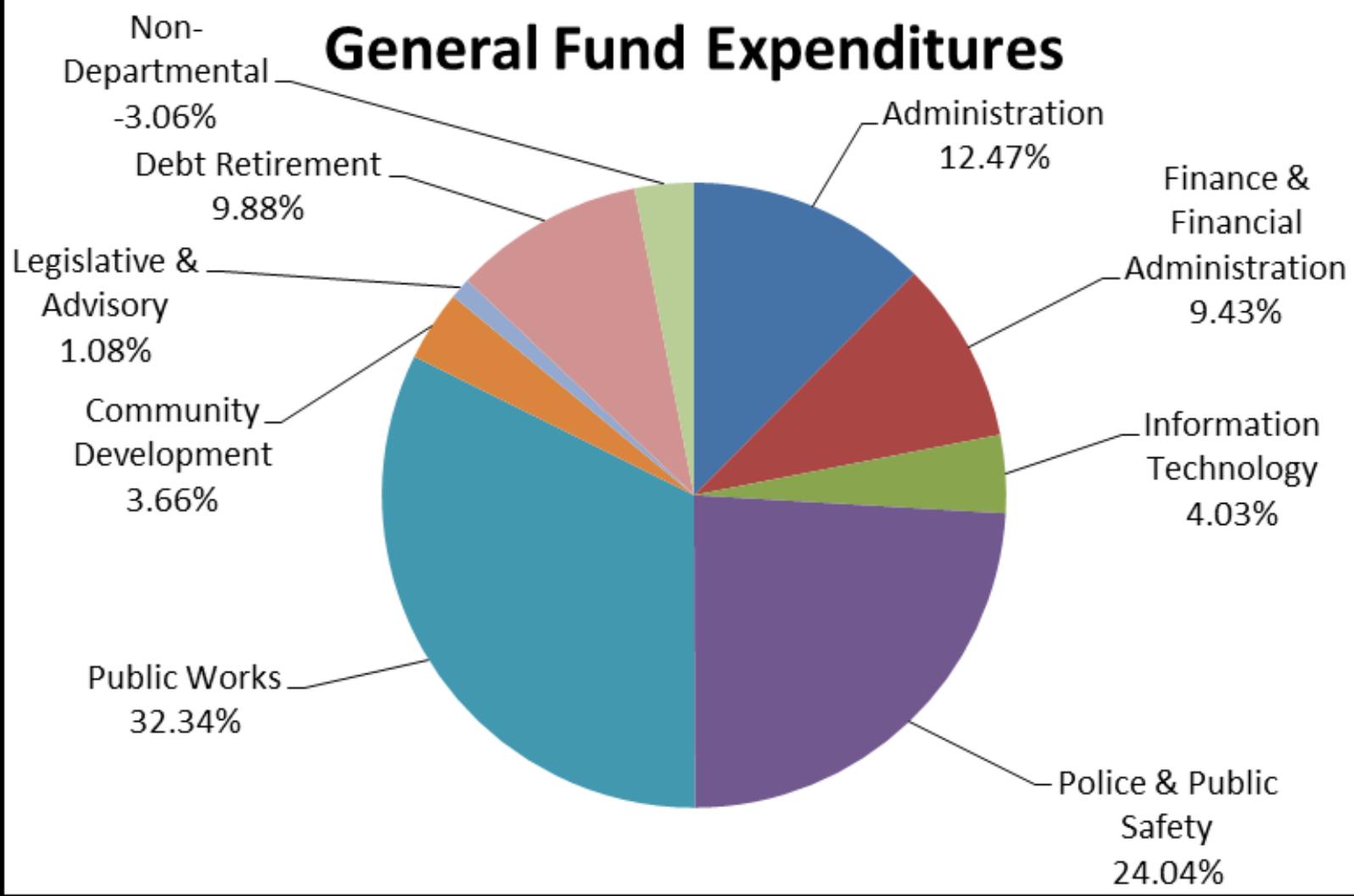


FY 2021 Proposed Budget Highlights

ALL FUNDS

- Operating Budget of \$20.147M, a 4.0% increase of \$0.766M
 - Changes from FY20 to FY21 Budget and other details will be covered subsequent pages
 - Operating Revenue Highlights
 - Governmental
 - \$4.861M Property Tax
 - \$2.897M Meals Tax
 - \$1.787M Other Local Tax
 - \$1.308M Sales Tax
 - \$1.201M Inter-Governmental
 - \$0.260M Other Governmental Revenue
 - \$0.156M Use of Money
 - Utility
 - \$3.402M Water
 - \$4.274M Wastewater

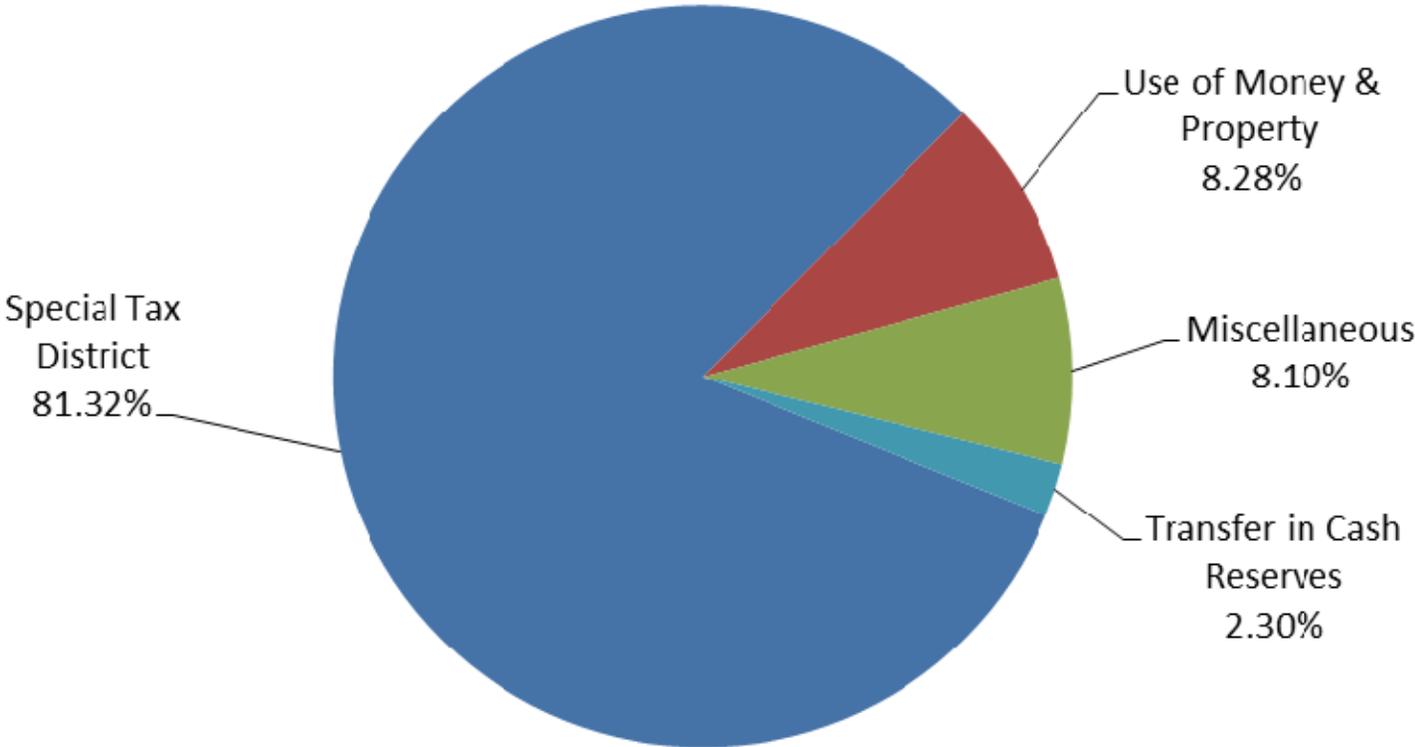
General Fund Expenditures



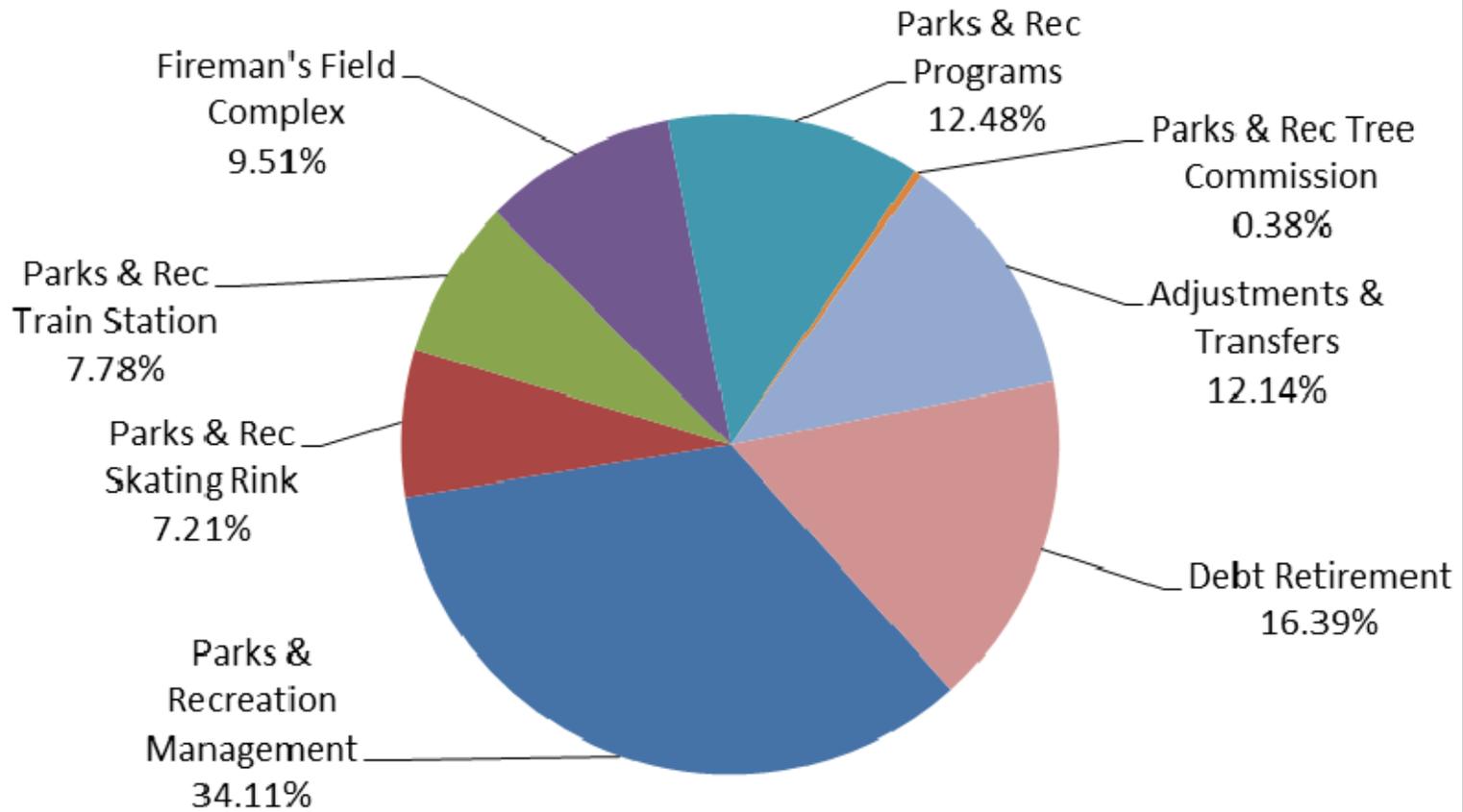
PARKS & REC FUND



Parks & Recreation Revenues



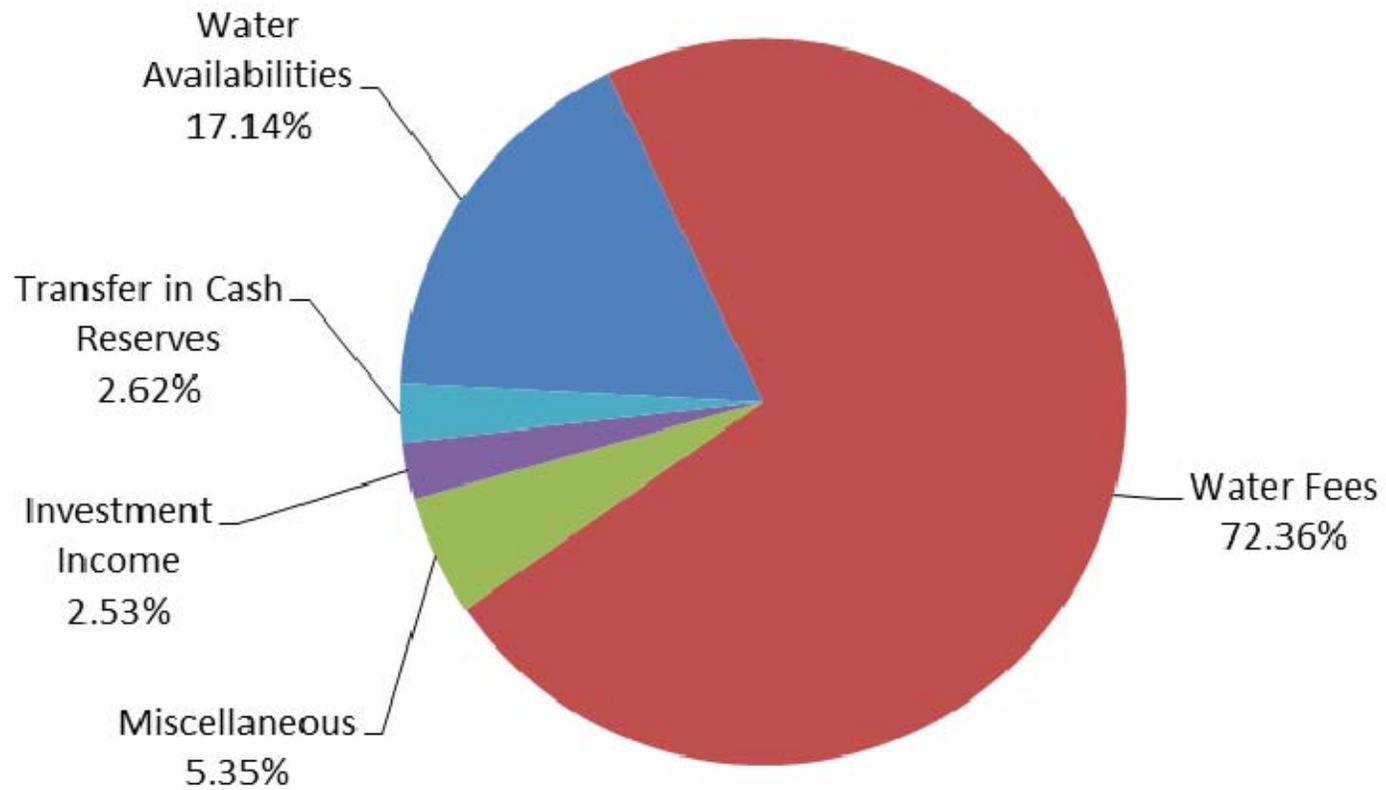
Parks & Rec Fund Expenditures



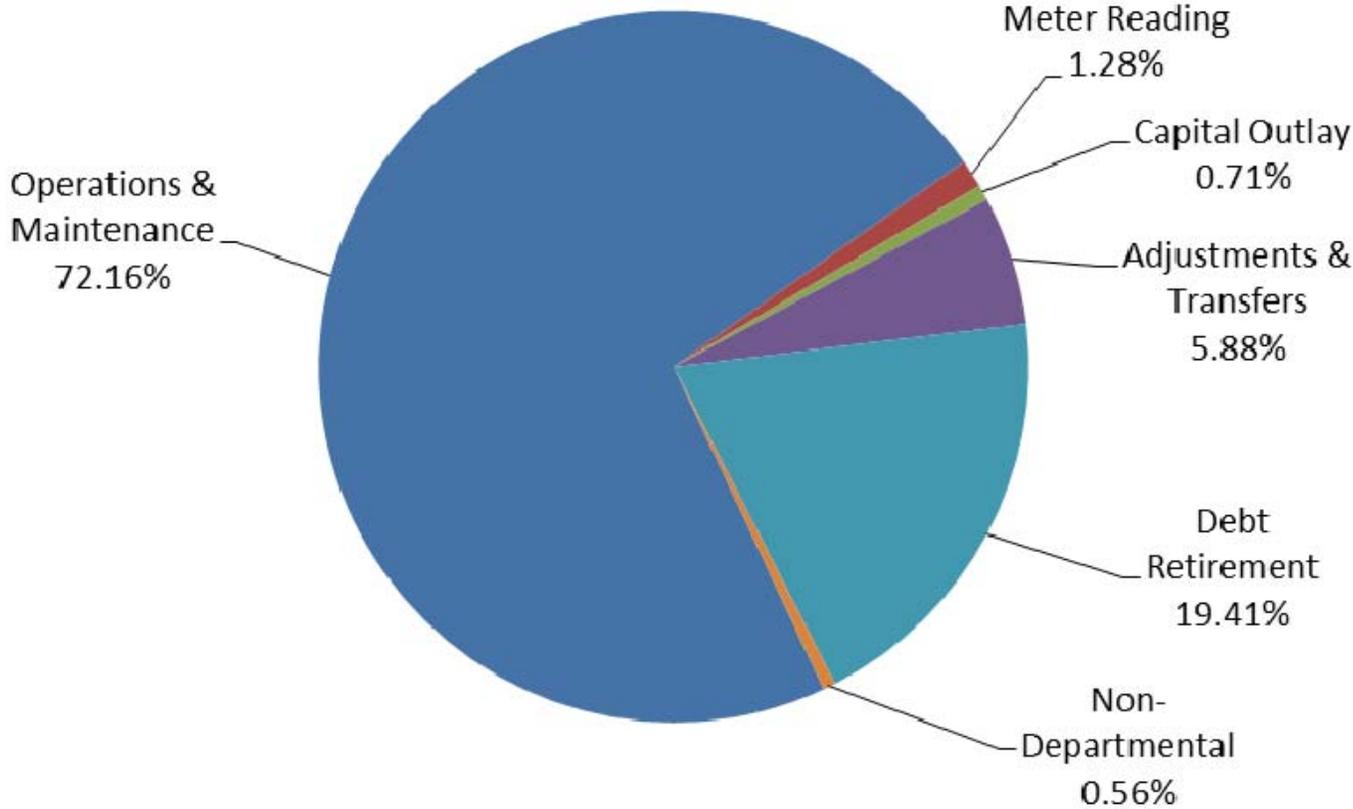


WATER FUND

Water Fund Revenues



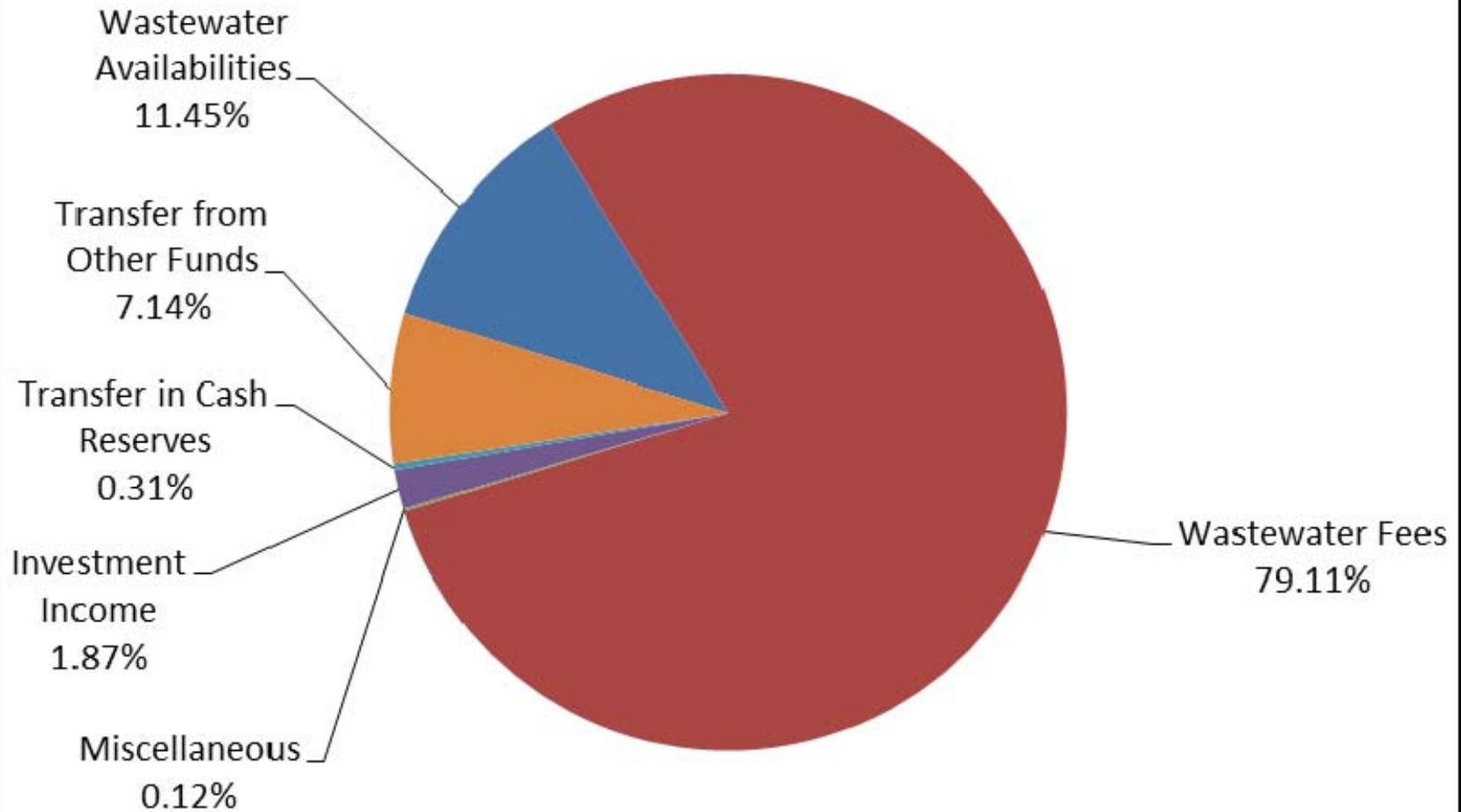
Water Fund Expenditures



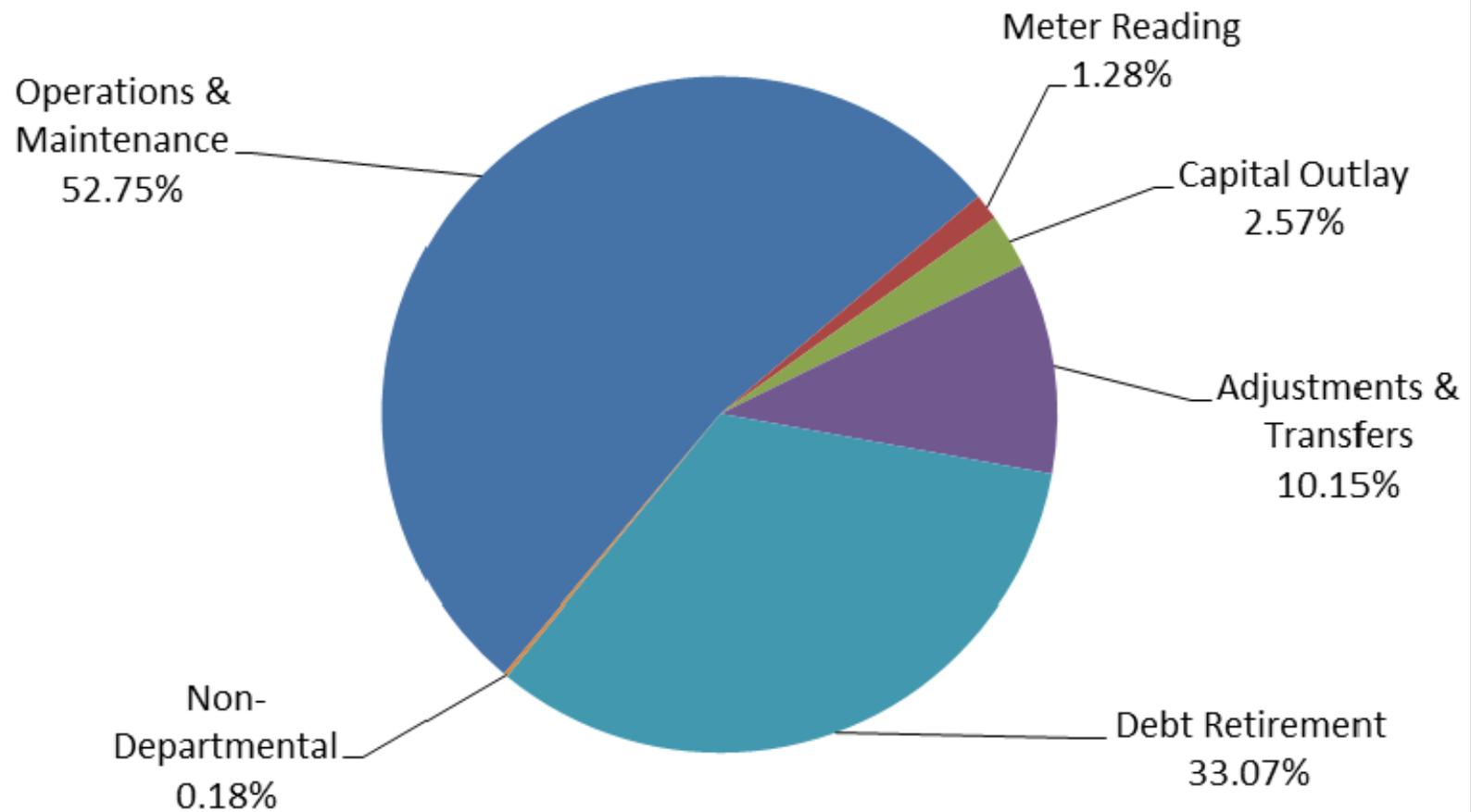


WASTEWATER FUND

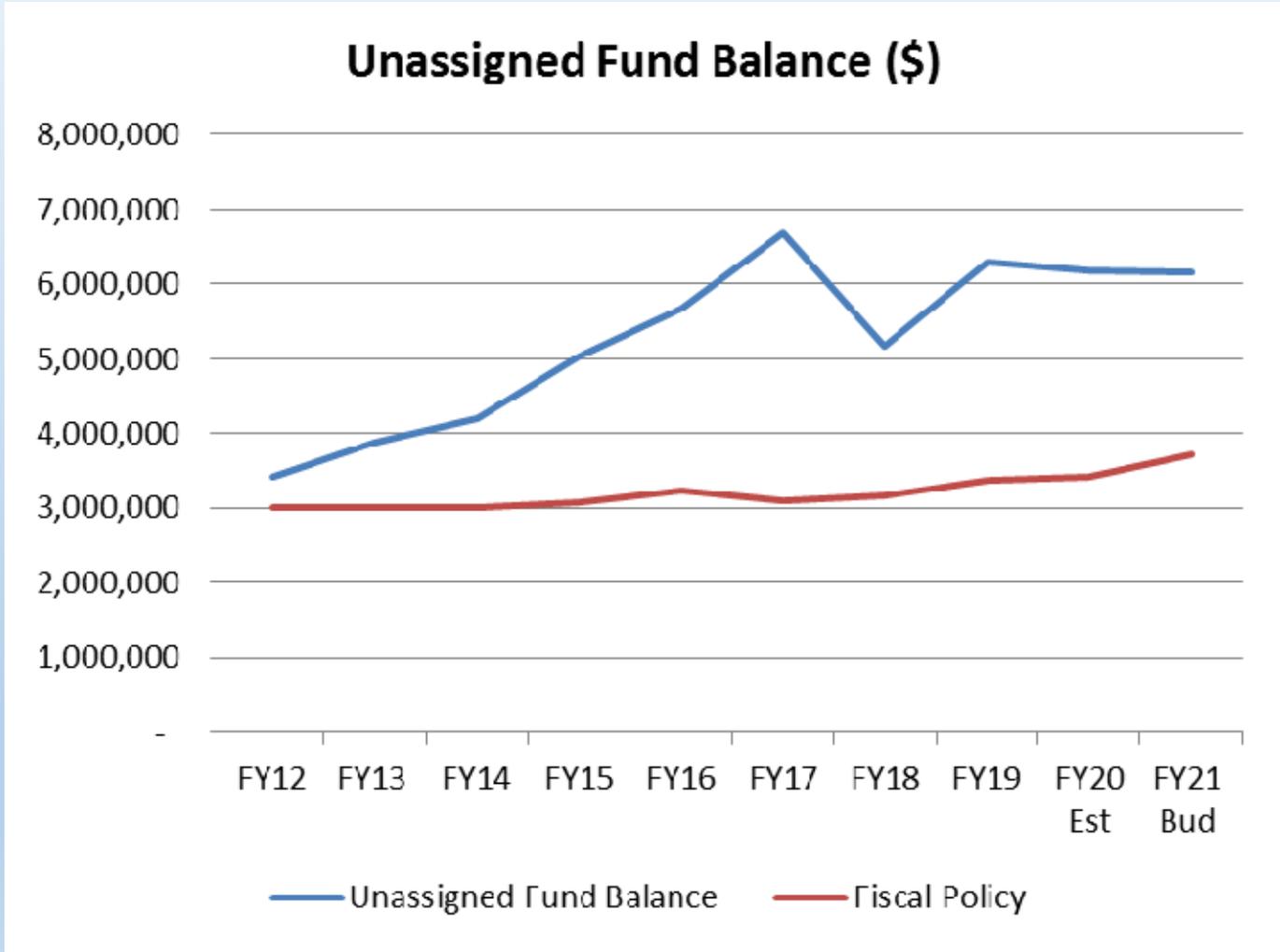
Wastewater Fund Revenues



Wastewater Fund Expenditures

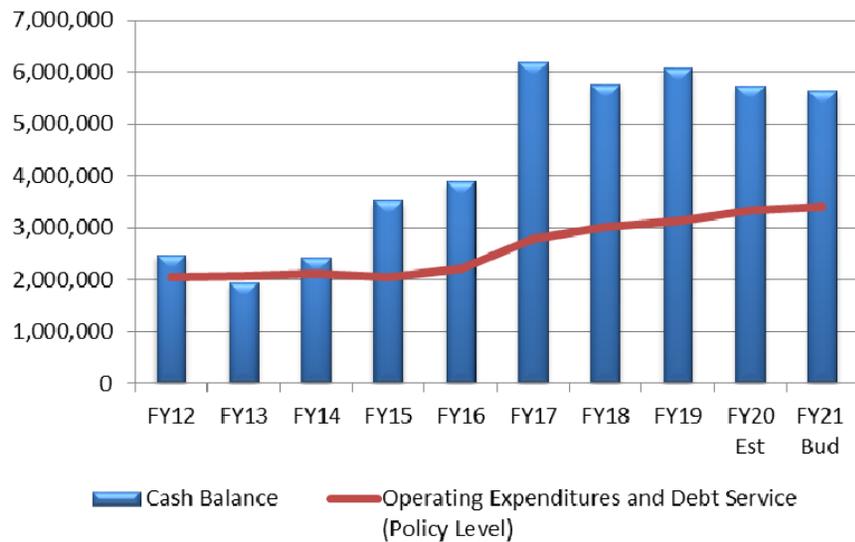


GF Unassigned Fund Balance (\$)

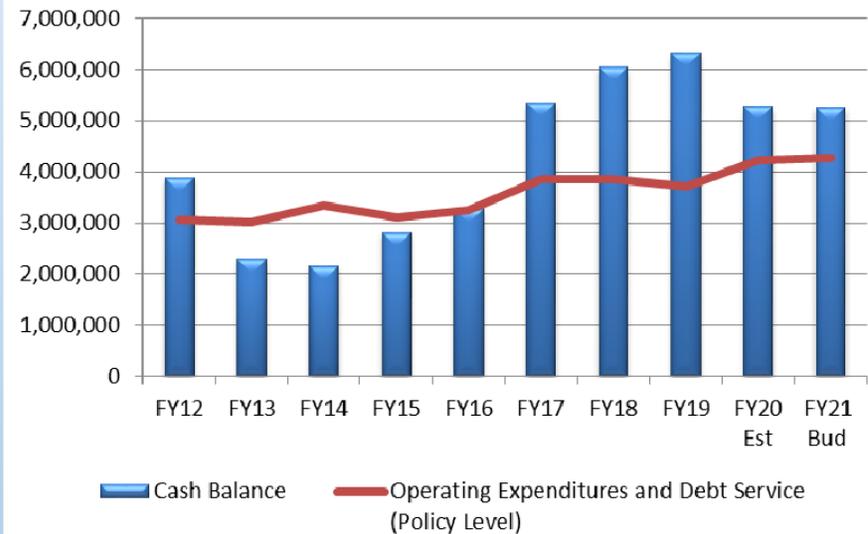


Water & Wastewater Fund Cash Balance

Water Fund Cash Balance



Wastewater Fund Cash Balance



CHALLENGES

- COVID-19 – a global, national, state and local emergency
 - Rearrange the priorities and projects of all key personnel to concentrate on emergency preparedness and response.
- Temporary Police Headquarters
 - Analyze, select and budget from the GF Reserves a cost-effective location within 3 miles.
- Authorize Two New Patrol Officers
 - These officers were deferred from the FY21 budget request. In light of COVID-19 emergency, both my office and the Council should reconsider.
- Potable Water
 - Continue to Identify alternatives and execute agreements to supply the Town with the necessary capacity of 200k gallons of potable water to supply the Town.

CHALLENGES (CONT'D)

➤ Wastewater

- Identify public and private options to sell the remaining capacity (650k) in the Town's wastewater plant to offset \$31m of outstanding principle.

➤ Strengthen the Town's Economic Base

- As the community is nearing buildout, and restricted new economic/business expansion opportunities remain within the corporate limits, the Town needs to identify an economic development/redevelopment strategy for our commercial corridors that maximizes tax revenues to maintain General Fund service delivery

➤ New Permanent Police HQ

- Develop a community outreach campaign to win support of our residents for a moderate property tax increase to construct and staff a new police headquarters

UPCOMING MEETINGS

Date (7 PM)	Meeting/Work Session	Topics for Discussion/Action
Wed 3/18	Special Meeting/ Budget Work Session	<ul style="list-style-type: none"> Town Manager presents Proposed Budget
Tue 3/24	Town Council Meeting	<ul style="list-style-type: none"> PH for 2020 Property Tax rates (effective 1/1/20) Long-term Fiscal & Debt Planning – GF2030-Davenport & Stantec
Thu 3/26	Special Meeting/ Budget Work Session	<ul style="list-style-type: none"> General Fund – Police Department and Police Facility
Wed 4/1	Special Meeting/ Budget Work Session	<ul style="list-style-type: none"> General Fund – Administration, Finance, Information Technology, Community Development Parks & Recreation Fund
M-F 4/6-4/10	None	<ul style="list-style-type: none"> Spring Break
Tue 4/14	Town Council Meeting	<ul style="list-style-type: none"> PH on FY 2021 Budget and Master Tax & Fee Summary Town Council to Adopt Real Estate Tax Rate, Fireman’s Field Tax District, Personal Property Tax Rate and PPTRA
Wed 4/22	Special Meeting/ Budget Work Session	<ul style="list-style-type: none"> Capital Improvement Projects (CIP) – All Funds General Fund – Public Works Capital Projects and Engineering
Tue 4/28	Town Council Meeting	<ul style="list-style-type: none"> General Fund – Public Works Operations - Admin and Maintenance Utility Fund – Public Works – Water and Wastewater
Wed 5/6	Special Meeting/ Budget Work Session	<ul style="list-style-type: none"> Fall Back date – Topic is to be determined
Tue 5/26	Town Council Meeting	<ul style="list-style-type: none"> Public Hearing on Year End Budget Amendment (if needed) Town Council to Adopt FY 2021 Operating Budget, Adoption/Appropriation Resolution, Master Tax & Fee Summary and Utility Rates
Tue 6/9	Town Council Meeting	<ul style="list-style-type: none"> Fall Back date to Adopt FY 2021 Budget and Master Tax & Fee Summary

Summary of Financial Model Updates for 2020

- Rolled model forward 1 year; updated with FY 2019 year ending balances
- Updated FY 2020 and FY 2021 Budget
- Updated FY 2020 – FY 2030 Capital Improvement Plan
 - Optimized funding using cash and debt (assumed 30-year/40-year term, 3% rate)
 - Focus on near-term needs; later years are estimates and could be impacted by additional needs
- Updated assumptions for Availability Fee revenues
- Incorporated refinancing from Davenport (~\$80,000 annual reduction in sewer debt from FY21-FY25)
- Rate impacts have been shown with Alternative C rate structure (per Nov 20, 2019 Council meeting)

Water CIP

Water Capital Improvement Program (\$M) – Updated March 2020

Description	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
F Street Water Main Replacement	\$0.14		\$0.14								
12th Street Water Main Replacement				\$0.23	\$0.23						
Intake Structure for Hirst Reservoir	\$0.08	\$0.10	\$0.40	\$0.85							
Jeffries Filter Facility			\$0.30	\$0.30							
Cooper Springs Raw Water Main			\$0.24	\$0.88							
WTP to Town Water Main Replacement-PH 1				\$0.40	\$1.60						
Reservoir to WTP Raw Water Main					\$0.32	\$0.16	\$1.76				
Holly Lane Water Main Replacement					\$0.15	\$0.15					
G Street Water Main Replacement					\$0.15	\$0.55					
Additional Water Supply						\$0.65	\$0.65	\$0.65			
A Street Water Line Loop						\$0.13					
Water Treatment Plant Improvements										\$1.15	\$1.15
Total	\$0.22	\$0.10	\$1.08	\$2.66	\$2.45	\$1.64	\$2.41	\$0.65		\$1.15	\$1.15

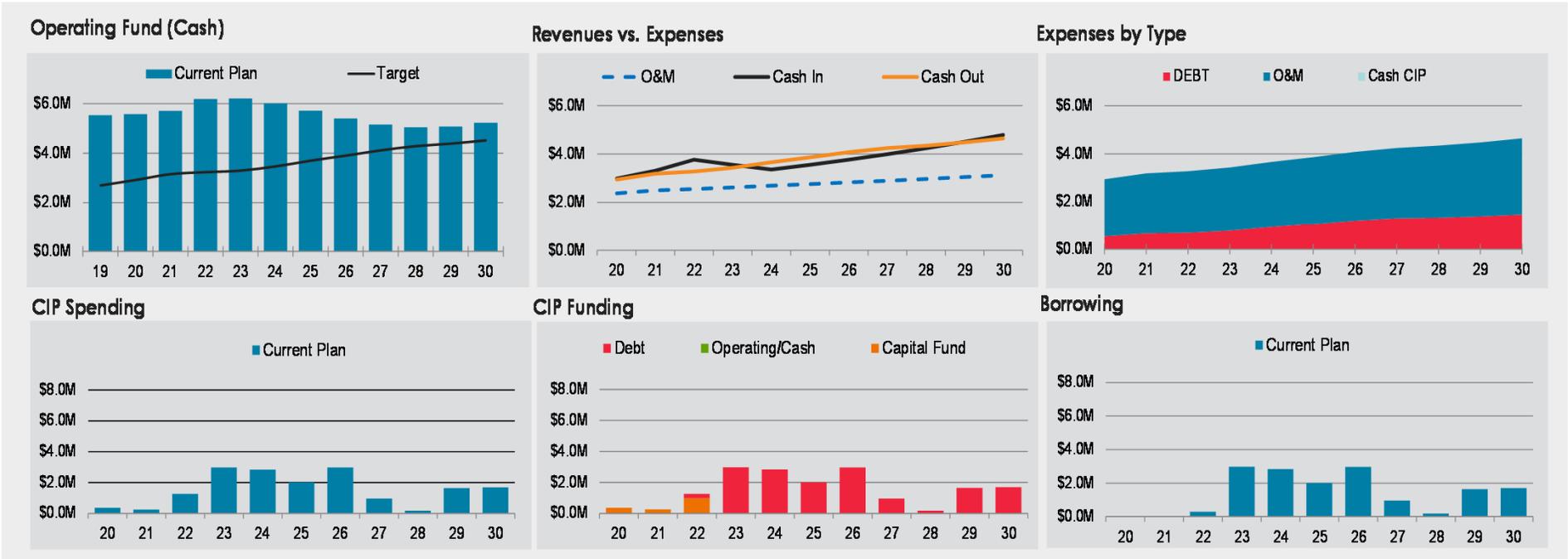
Sewer CIP

Sewer Capital Improvement Program (\$M) – Updated March 2020

Description	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Membrane Replacement	\$0.17	\$0.17	\$0.17								
East End Pump Station									\$0.13	\$0.13	\$1.04
West End Pump Station Improvements	\$0.36										
LEAP Aeration Upgrade		\$0.16									
Sludge Storage Facility						\$0.37					
Valley Industrial Park Pump Station Upgrades						\$0.28					
12th Street Sewer Line			\$0.15								
Total	\$0.54	\$0.33	\$0.32			\$0.65			\$0.13	\$0.13	\$1.04

(2) Water Fund Debt-Funded CIP

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2025	FY 2030
Water Fixed Rate Plan	0.00%	5.00%	5.00%	5.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	35.07%	98.40%
Water Usage Rate Plan	3.00%	5.00%	5.00%	5.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	35.14%	98.65%
Debt Coverage	1.14	1.24	1.76	1.21	0.72	0.75	0.78	0.84	0.95	1.05	1.13	Meal Tax Transfer	No
												Meal Tax Growth	0.00%
CIP Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	CIP	Original
Single Family Bi-Monthly Water Bill	\$74.97	\$85.84	\$90.13	\$94.64	\$102.21	\$110.39	\$119.22	\$128.75	\$139.06	\$150.18	\$162.19	CIP Funding	Debt
Change in Bi-Monthly Bill		\$10.87	\$4.29	\$4.51	\$7.57	\$8.18	\$8.83	\$9.54	\$10.30	\$11.12	\$12.01	Debt	30 year
Cost per Day	\$1.25	\$1.43	\$1.50	\$1.58	\$1.70	\$1.84	\$1.99	\$2.15	\$2.32	\$2.50	\$2.70		
Change in Cost per Day		\$0.18	\$0.07	\$0.08	\$0.13	\$0.14	\$0.15	\$0.16	\$0.17	\$0.19	\$0.20		



(2) Sewer Fund Debt-Funded CIP



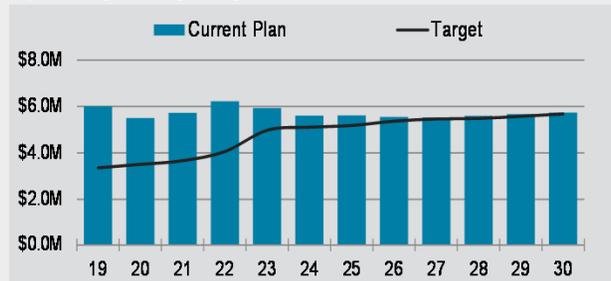
TOWN OF PURCELLVILLE, VA - SEWER



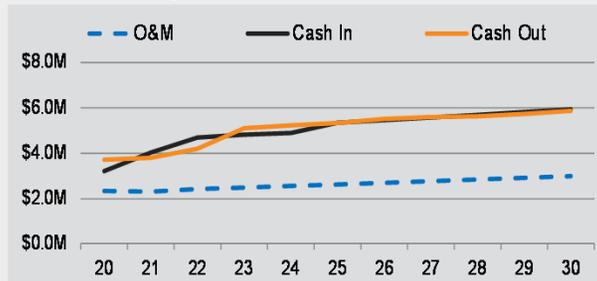
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	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2025	FY 2030
Sewer Fixed Rate Plan	0.00%	7.00%	11.00%	11.00%	11.00%	11.00%	3.00%	3.00%	3.00%	3.00%	3.00%	62.45%	88.29%
Sewer Usage Rate Plan	3.00%	7.00%	11.00%	11.00%	11.00%	11.00%	3.00%	3.00%	3.00%	3.00%	3.00%	62.45%	88.28%
Debt Coverage	0.73	1.24	1.37	0.93	0.92	1.05	1.03	1.04	1.07	1.08	1.07	Meal Tax Transfer	No
CIP Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Meal Tax Growth	0.00%
Single Family Bi-Monthly Sewer Bill	\$142.60	\$147.33	\$163.54	\$181.53	\$201.49	\$223.66	\$230.37	\$237.28	\$244.40	\$251.73	\$259.28	CIP	Original
Change in Bi-Monthly Bill		\$4.73	\$16.21	\$17.99	\$19.97	\$22.16	\$6.71	\$6.91	\$7.12	\$7.33	\$7.55	CIP Funding	Debt
Cost per Day	\$2.38	\$2.46	\$2.73	\$3.03	\$3.36	\$3.73	\$3.84	\$3.95	\$4.07	\$4.20	\$4.32	Debt	30 year
Change in Cost per Day		\$0.08	\$0.27	\$0.30	\$0.33	\$0.37	\$0.11	\$0.12	\$0.12	\$0.12	\$0.13		

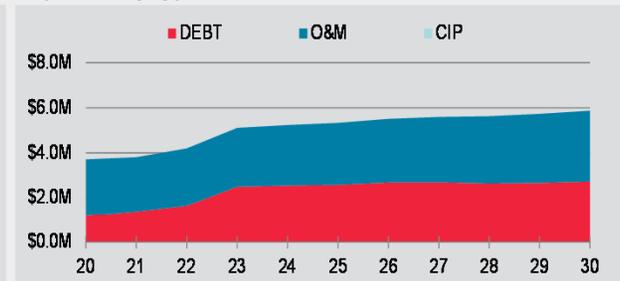
Operating Fund (Cash)



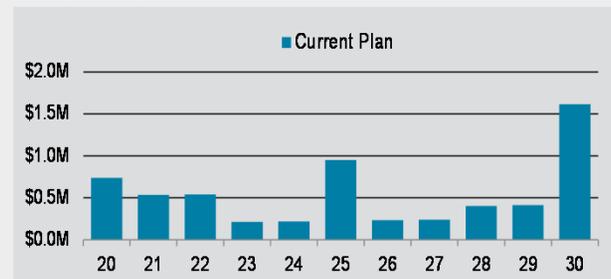
Revenues vs. Expenses



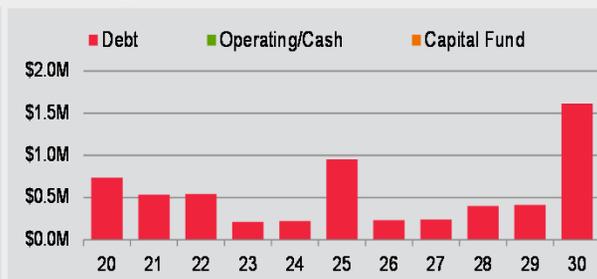
Expenses by Type



CIP Spending



CIP Funding



Borrowing



Average Customer Bill Impact (8,000 gal/bi-monthly period)
Scenario 2 – Debt-Funded CIP

	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Water	\$74.97	\$85.84	\$90.13	\$94.64	\$102.21	\$110.39
Sewer	\$142.60	\$147.33	\$163.54	\$181.53	\$201.49	\$223.66
Total	\$217.57	\$233.17	\$256.61	\$282.77	\$314.79	\$350.61
Change \$		\$15.60	\$23.44	\$26.16	\$32.02	\$35.82
Change %		7.2%	10.1%	10.2%	11.3%	11.4%