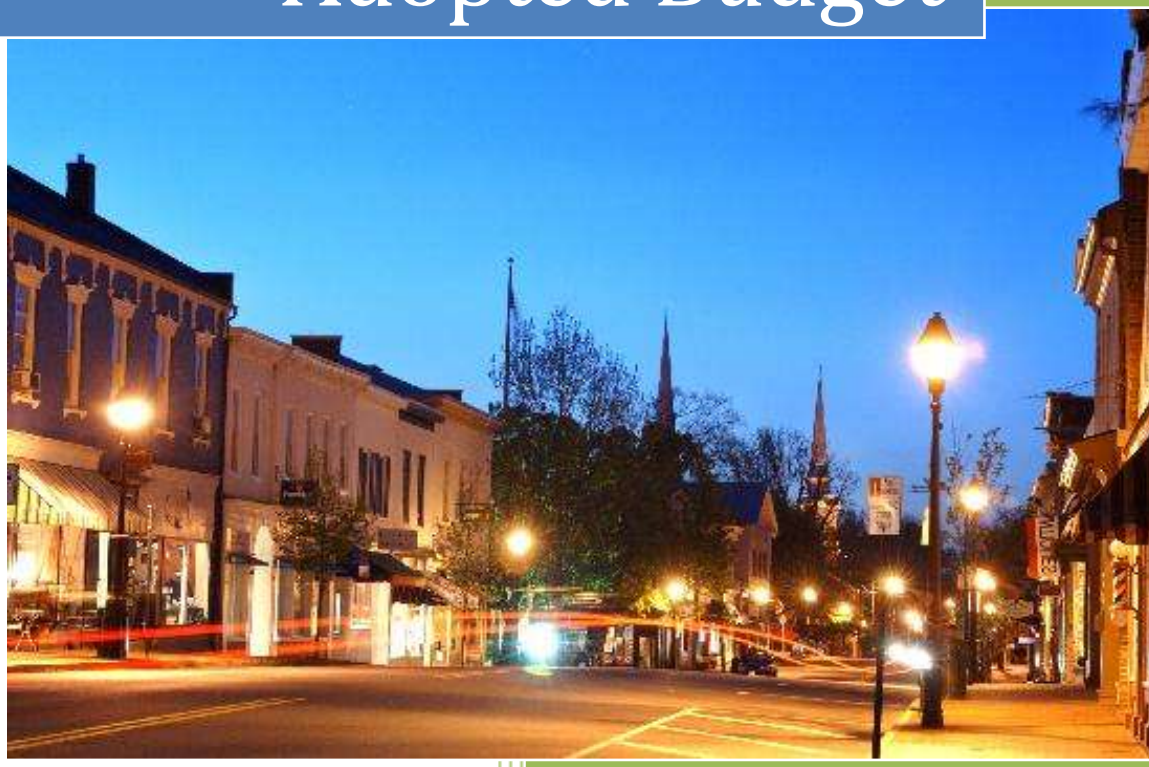
Fiscal Year 2016

Town of Warrenton, Virginia Adopted Budget



Office of the Town Manager

Town of Warrenton, Virginia

Fiscal Year 2016

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INTRODUCTION

June 30, 2015

Mayor and Members of Town Council

In accordance with the Town of Warrenton's Town Charter and Code, and the provision of the laws of the Commonwealth, I am herewith submitting to you the annual budget for the Fiscal Year 2015-2016. This budget is balanced, without increasing any revenue sources, and does not involve further borrowing of funds.

The budget includes all estimated revenues and expenses in each of the accounting funds. Each fund continues to maintain a reserve equal to or greater than fifteen percent (15%) of the funds' total expenditures.

The next section of the budget document, the Executive Summary, gives the reader a much shorter, but concise, view of the total budget document without all of the fine details. All changes from the previous fiscal year budget will be found in this section of the budget document.

Much of the credit for developing this budget goes to the Town's department heads with special recognition to Ms. Stephanie Miller, Director of Finance and Human Resources, who made this document come together as you now see it.

Respectfully submitted,

Cole Hendrix
Interim Town Manager

EXECUTIVE SUMMARY

The budget for any community is the fiscal blueprint for the next year's municipal program. The Executive Summary is provided to give the reader a condensed version of the budget, providing all of the important information without having to read the entire document. This summary is composed primarily of numbers which change the blueprint from the previous year's one.

The Town's finances are generally divided into two funds: the General Fund and the Water and Sewer Fund. Each fund includes a number of subsidiary accounts, dividing revenues from expenses and the detail of expenses.

GENERAL FUND

General Fund revenues from taxes, fees, state and federal revenues, and contributions are estimated to be $9,990,564, an increase of $391,623 from last year. State revenue represents the largest category at $2,842,184. The two largest local revenue sources are the Business, Professional, and Occupational License tax ($1,700,400) and the Meals tax ($2,170,000). There are no new taxes adopted and no increases in current rates. In addition, General Fund revenues are supplemented by a transfer of $713,430 from the unassigned balance in the General Fund. General Fund balances prior to any transfer are as follows:

General Fund Balance	$11,547,798
Less: Reserved & Restricted Balances	2,684,986
Undesignated General Fund Balance	$8,862,812
Less: Transfer (FY 2015-16 Budget)	713,430
Undesignated General Fund Balance, after transfer	$8,149,382

Since its inception, the Parks and Recreation function has been reported as an enterprise fund. This year these revenues and expenditures will be included in the General Fund since parks and recreation is not truly a self-sustaining enterprise activity. The debt service for the Warrenton Aquatic and Recreation Facility (WARF) is shown under the Debt Service category in the General Fund budget.

Parks and Recreation

Revenues	$1,475,538
Expenses	1,987,382
Use of General Fund Balance	$511,844

New or increased expenditures in the General Fund are:

• Increase in transfer to Capital Projects Fund	$257,042
• New Parks Laborer position	46,479
• Special Events (Recreation)	40,000
• Implementation of Classification & Compensation Study	182,170
• Increase in contribution to Warrenton Volunteer Fire Company	49,504
• New Economic Development Department	152,818
• Full-year of Deputy Chief of Police position (reinstated mid-FY 2015)	59,476
• One New Police Officer, Increase One Part-time Officer to Full-time	85,634
• New Contributions to outside agencies	15,000
• New Part-time Stormwater Management position	37,803
• General Fund Employee Merit Increases	87,745
TOTAL	$1,013,671

The total increase in revenue/sources of funds for the General Fund is $2,580,591. This is a combination of $391,623 from increases in current revenue, $713,430 from the undesignated fund balance, and $1,475,538 in the new category of charges for services resulting from parks and recreation being moved to the general fund.

The Warrenton Volunteer Fire Company (WVFC) requested an annual payment of $300,000. This budget increases the Town's contribution by $49,504. In a separate proposal, it has been recommended that a one-time payment of $300,000 be made to the WVFC from the General Fund undesignated balance to be used toward the purchase of a new ladder/tower truck.

Based on the new classification and compensation study, any employee now below the adopted new minimum range for their job classification will be raised to the new minimum on July first. The majority of those affected are police and fire employees. All other employees will receive a two percent (2%) salary increase, including part-time employees. Also, the current merit increase range will be changed to 0-5% from the existing 0-7%.

All debt service will now be funded as part of the General Fund. Scheduled payments are as follows:

WARF	$634,939
Police Department equipment lease/purchase *	90,167
Total	$725,106

**final payment*

General capital projects are accounted for in the Capital Projects fund and funded via a transfer from the General Fund balance. Adopted expenditures are $656,202, which is $46,504 more than FY 2014-15.

WATER AND SEWER FUND

The Water and Sewer Fund is a standalone enterprise fund operated much like a private business, and should be operated as such.

Revenues

The revenues come from the sources listed below:

	Adopted FY 2014-15	Adopted FY 2015-16
Permits, fees and licenses	$ 8,500	$ 9,000
Use of money and property	156,000	160,000
Charges for services	3,715,000	3,648,500
Miscellaneous	60,412	58,412
Subtotal Operating Revenue	$ 3,939,912	$ 3,875,912
Non-revenue receipts	759,500	355,250
Transfers and use of reserves	50,734	952,474
TOTAL	$ 4,750,146	$ 5,183,636

The principal source of revenue is from the sale of water and sewer services ($3,648,500). The other significant revenue source, which varies considerably from year to year, is titled “non-revenue receipts”. This is mostly tap fees from new development ($355,250). The final source of funding is a transfer from the unrestricted fund balance.

Expenditures

	Adopted FY 2014-15	Adopted FY 2015-16
Water Supply, Distribution & Billing	$ 1,782,088	$ 1,967,823
Wastewater Treatment	1,672,585	1,749,071
Administration	818,333	803,742
Subtotal Operating Expenses	$ 4,273,006	$ 4,520,636
Capital Outlay	477,140	663,000
TOTAL	$ 4,750,146	$ 5,183,636

The total increase in expenses in the adopted budget is $433,490 compared to FY 2015. Half of this increase is in the cost of capital outlay; the other half is in the cost of operations, primarily salary increases, chemicals and electricity.

The operating costs are $644,724 higher than the operating revenue, thereby requiring the use of transfers from the unrestricted fund balance. The fund balance figures are as follows:

Water and Sewer Fund Balance	$6,447,401
Less: Reserved & Restricted Balances	1,054,741
Unrestricted Water and Sewer Fund Balance	$5,392,660
Less: Transfer (FY 2015-16 Budget)	952,474
Unrestricted Water and Sewer Fund Balance, after transfer	$4,440,186

The operating revenues should cover the cost of operating expenses, which fall short for FY 2015-16 by $644,724. A rate study is now being conducted which is very likely to indicate that operational rates need to be increased in the near future. Capital outlay costs have increased, and will continue to do so as the two plants continue to age.

INTERNAL SERVICE FUNDS

The budget contains two internal service funds, Motor Pool and Information Technology. These funds receive their revenue from the budgets of the departments they serve.

The Motor Pool Fund budget for FY 2015-16 is $440,656, an increase of $11,021 over the prior year. The Information Technology Fund budget from FY 2015-16 is $327,812, an increase of $77,736 over the prior year.

THE FUTURE

It is obvious that the tax and fee revenues in the General Fund do not support the expenditures, and that some remedial action needs to be taken in the near future. Transfers from the fund balance will last only a few years. Gradual increases in tax and fee rates would seem to be better than waiting to make huge increases all at one time.

A similar situation occurs in the Water and Sewer Fund. Current rates do not cover the cost of producing water and transporting it, nor do current sewer revenues cover the cost of treating sewage. Each year the cost of operations will increase due to the age of the infrastructure in both water and sewer. Capital expenses will also accelerate due to the age of the infrastructure and capital equipment.

COMBINED BUDGET SUMMARY

The following provides a summary of the Adopted Budget for Fiscal Year 2015-2016 across all appropriated funds compared to the Adopted Budget for Fiscal Year 2014-2015. 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 is $1,175,641, or 7.2%.

FY 2015-16 BUDGET SUMMARY
TOTAL ESTIMATED REVENUES – ALL FUNDS

Revenues / Sources	Adopted FY 2015	Adopted FY 2016	Change ($)	Change (%)
General Fund				
General Property Taxes	$ 722,200	$ 683,100	$ (39,100)	-5.4%
Other Local Taxes	5,574,400	6,012,000	437,600	7.9%
Licenses, Permits and Fees	145,832	137,530	(8,302)	-5.7%
Fines and Forfeitures	190,000	190,000	-	0.0%
Use of Money/Property	30,500	21,900	(8,600)	-28.2%
Charges for Services	-	1,475,538	1,475,538	100.0%
Miscellaneous Revenue	96,350	101,350	5,000	5.2%
State Revenue	2,837,159	2,842,184	5,025	0.2%
Federal Revenue	2,500	2,500	-	0.0%
Use of Fund Balance	-	713,430	713,430	100.0%
General Fund Total	**$ 9,598,941**	**$ 12,179,532**	**$ 2,580,591**	**26.9%**
Capital Projects Fund	$ 609,698	$ 656,202	$ 46,504	7.6%
Water and Sewer Fund	4,750,146	5,183,636	433,490	9.1%
Recreation Fund	2,675,749	-	(2,675,749)	-100.0%
Motor Pool Fund	429,635	440,656	11,021	2.6%
Information Technology Fund	250,076	327,812	77,736	31.1%
Total All Funds	$ 18,314,245	$ 18,787,838	$ 473,593	2.6%
Less Transfers	(2,024,718)	(1,322,670)	702,048	-34.7%
Total Estimated Revenues	**$ 16,289,527**	**$ 17,465,168**	**$ 1,175,641**	**7.2%**

FY 2015-16 BUDGET SUMMARY
TOTAL APPROPRIATIONS – ALL FUNDS

Expenditures / Uses	Adopted FY 2015	Adopted FY 2016	Change ($)	Change (%)
General Fund				
General Government	$ 1,031,201	$ 1,192,008	$ 160,807	15.6%
Public Safety	3,134,752	3,455,626	320,874	10.2%
Public Works	3,314,597	3,379,734	65,137	2.0%
Health and Welfare	77,111	102,111	25,000	32.4%
Parks and Recreation	0	1,987,382	1,987,382	100.0%
Cultural Enrichment	58,500	67,000	9,000	14.5%
Community Development	415,309	716,363	301,054	72.5%
Debt Service	180,335	725,106	544,771	302.1%
Transfers	1,387,136	554,202	(832,934)	-60.0%
General Fund Total	**$ 9,598,941**	**$ 12,179,532**	**$ 2,580,591**	**26.9%**
Capital Projects Fund	$ 609,698	$ 656,202	$ 46,504	7.6%
Water and Sewer Fund	4,750,146	5,183,636	433,490	9.1%
Recreation Fund	2,675,749	-	(2,675,749)	-100.0%
Motor Pool Fund	429,635	440,656	11,021	2.6%
Information Technology Fund	250,076	327,812	77,736	31.1%
Total All Funds	$ 18,314,245	$ 18,787,838	$ 473,593	2.6%
Less Transfers	(2,024,718)	(1,322,670)	702,048	-34.7%
Total Appropriations	**$ 16,289,527**	**$ 17,465,168**	**$ 1,175,641**	**7.2%**

BUDGET PROCESS

Fiscal Year 2016 Budget Calendar

DATE	ITEM
OCTOBER 2014	Package of budgetary instructions delivered to Departments and Outside Agencies
DECEMBER 31, 2014	Funding requests submitted to Finance Department
JANUARY 31, 2015	Draft budget compiled by Finance and submitted to the Town Manager
FEBRUARY 2015	Town Manager's review of draft budgets, studies and reports and preparation of the Adopted Budget
APRIL 2015	Delivery of the Adopted Budget to Council
APRIL - MAY 2015	Work Sessions and Special Meetings held to review the Adopted Budget
MAY 12, 2015	Public Hearing on FY 2016 Adopted Budget
JUNE 9, 2015	Adoption of the FY 2016 Budget
JULY 1, 2015	Beginning of Fiscal Year 2016

Basis of Budgeting, Appropriation and Adjustment Process

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles, as applied to governmental units. 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.

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.

PRINCIPAL OFFICIALS

~ ELECTED OFFICIALS ~

Town Council

Powell Duggan, Mayor

Linda "Sunny" Reynolds, Vice Mayor, At Large

Sean Polster, At Large

Jerry Wood, Ward 1

Joan Williams, Ward 2

Yakir Lubowsky, Ward 3

Bob Kravetz, Ward 4

John S. Lewis, Ward 5

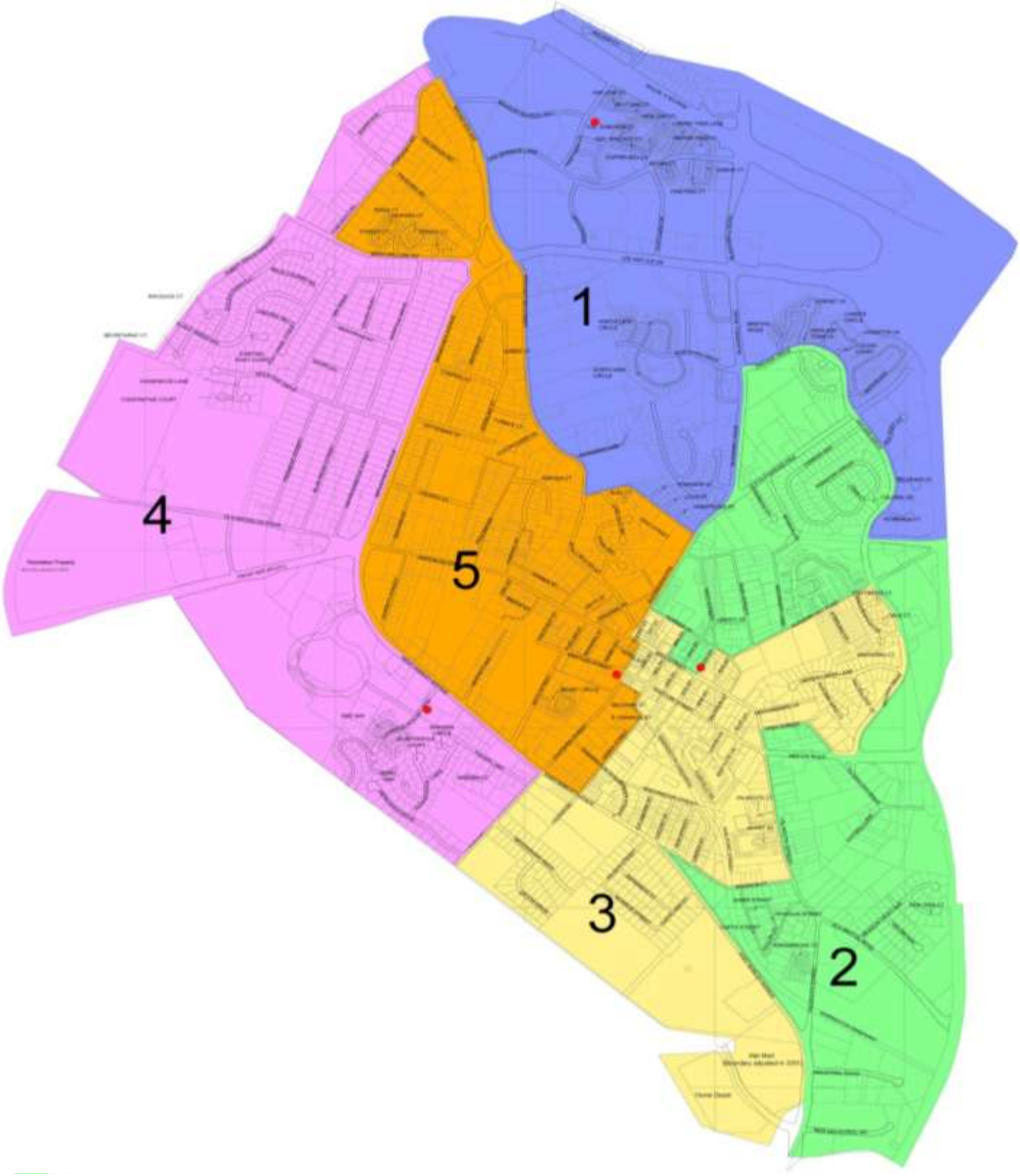
~ APPOINTED OFFICIALS ~

Interim Town Manager
D. Cole Hendrix

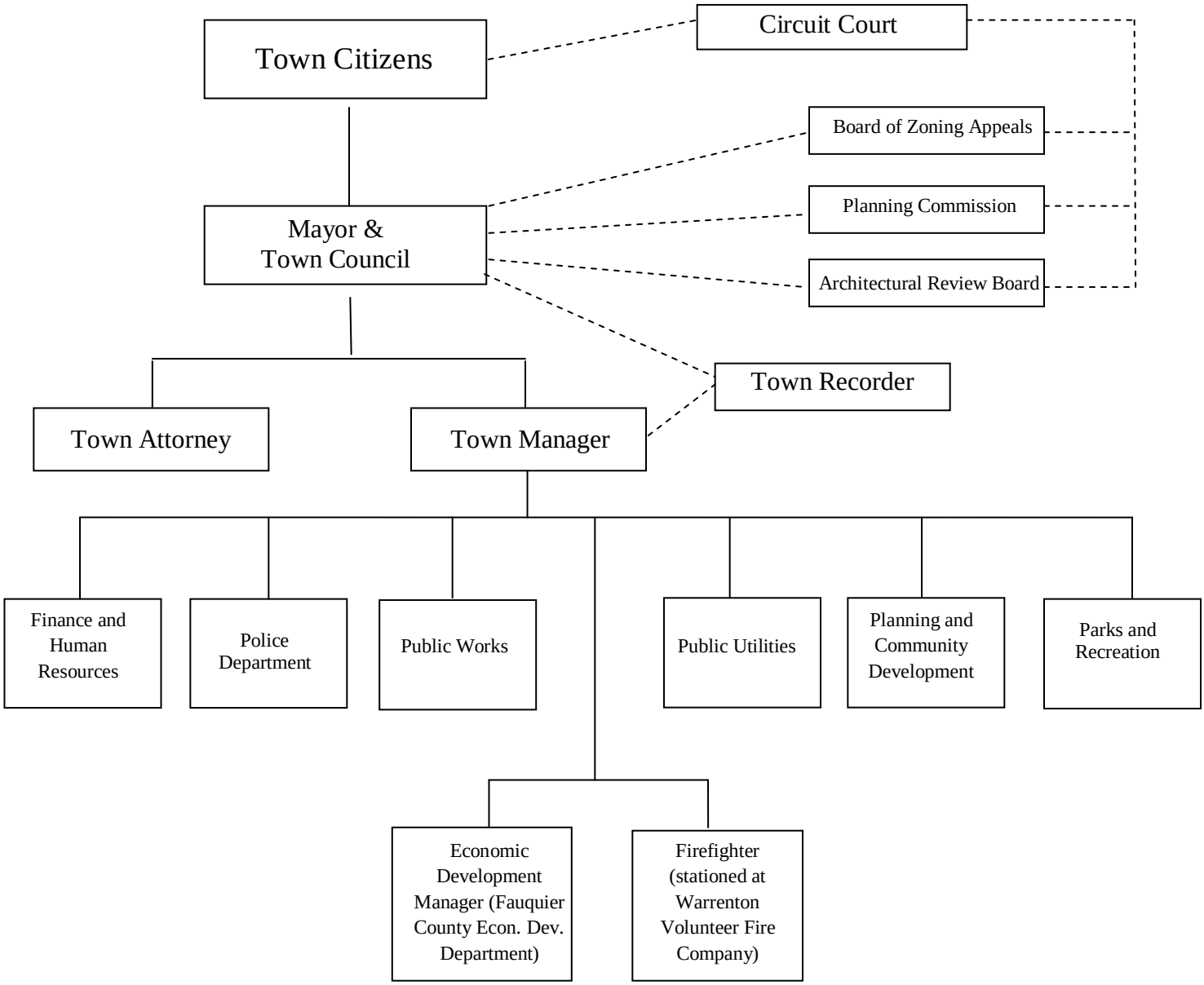
Town Attorney
Whitson W. Robinson

Town Recorder
Evelyn Weimer

WARD MAP



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 one enterprise fund and two internal service funds, described below.

Enterprise Funds

Water & Sewer Fund - accounts for all revenues and expenses related to water production, distribution and sewage treatment.

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.

BUDGET BY FUND

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. Expenditures accounted for in the General Fund include general government administration, public safety, public works, health and welfare, culture (includes parks and recreation), and community development. Parks and recreation finances, which were previously established as an enterprise fund, have been relocated to the General Fund beginning with Fiscal Year 2016.

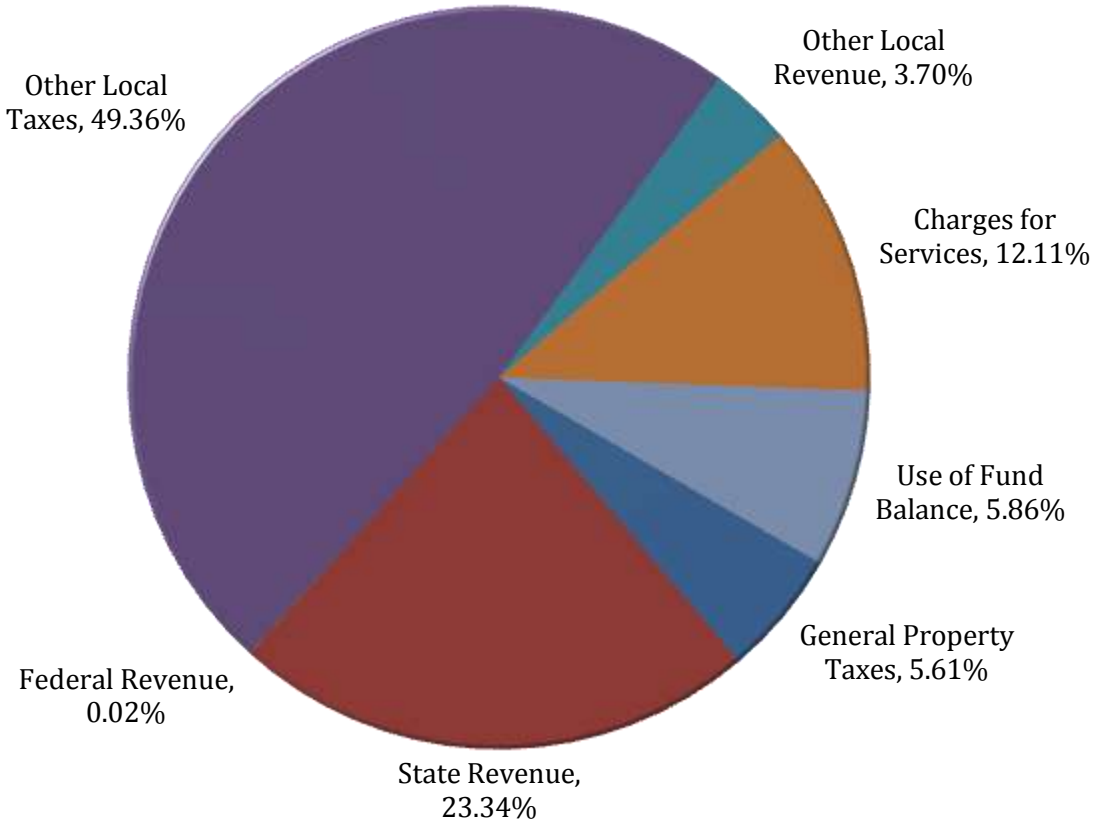
SUMMARY OF GENERAL FUND BUDGET
FOR CURRENT AND LAST FISCAL YEAR

REVENUE	ADOPTED FY 2015	ADOPTED FY 2016
General Property Taxes	$ 722,200	$ 683,100
Other Local Taxes	5,574,400	6,012,000
Licenses, Permits & Fees	145,832	137,530
Fines & Forfeitures	190,000	190,000
Revenue from Use of Money/Property	30,500	21,900
Charges for Services	0	1,475,538
Miscellaneous Revenue	96,350	101,350
Non-Categorical Aid	640,075	620,100
Categorical Aid	2,197,084	2,222,084
Revenue from Federal Government	2,500	2,500
Use of Fund Balance	0	713,430
Total General Fund Revenue	**$ 9,598,941**	**$ 12,179,532**
EXPENDITURES		
General Government	$ 1,031,201	$ 1,192,007
Public Safety	3,134,752	3,455,626
Public Works	3,314,597	3,379,734
Health & Welfare	77,111	102,111
Parks and Recreation	0	1,987,381
Cultural Enrichment	58,500	67,000
Community Development	415,309	716,363
Debt Service	180,335	725,106
Subtotal	$ 8,211,805	$ 11,625,328
Transfers	1,387,136	554,202
Total General Fund Expenditures	**$ 9,598,941**	**$ 12,179,532**

General Fund Revenue

The FY 2016 Adopted General Fund Budget includes $11,466,102 in current year revenue, an increase of $1,867,161, or 17.4%, from the FY 2015 Adopted Budget. The bulk of the increase is attributable to the relocation of Charges for Services related to the Parks and Recreation function, formerly reported in an Enterprise Fund. The second largest area of increase is the Other Local Taxes category, which is the largest source of current revenue for the General Fund at 49.4%, and increased by $437,600 over FY 2015. 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 adopted budget includes the use of $713,430 of fund balance. This is a 100.0% increase from the prior year. Total Revenue of $12,179,532 for the General Fund represents an increase of 26.9% over the FY 2015 Adopted Budget. The following chart shows the percentage of General Fund Revenue by source.

FY 2016 General Fund Revenue
$12,179,532



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

Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Local Revenue					
General Property Taxes	$539,315	$589,341	$722,200	$683,100	$(39,100)
Other Local Taxes	5,551,700	6,214,105	5,574,400	6,012,000	437,600
Permits & Other Licenses	182,447	127,421	145,832	137,530	(8,302)
Fines & Forfeitures	280,842	259,464	190,000	190,000	0
Use of Money & Property	29,051	21,068	30,500	21,900	(8,600)
Charges for Services	0	0	0	1,475,538	1,475,538
Miscellaneous	128,932	91,008	96,350	101,350	5,000
Total Local Revenue	**$6,712,287**	**$7,302,407**	**$6,759,282**	**$8,621,418**	**$1,862,136**
State Revenue	$2,829,793	$2,821,896	$2,837,159	$2,842,184	$5,025
Federal Revenue	13,824	48,931	2,500	2,500	0
Total State & Federal Revenue	**$2,843,617**	**$2,870,827**	**$2,839,659**	**$2,844,684**	**$5,025**
Subtotal - Current Revenue	**$9,555,904**	**$10,173,234**	**$9,598,941**	**$11,466,102**	**$1,867,161**
Use of Fund Balance	$0	$0	$0	$713,430	$713,430
Total General Fund Revenue	**$9,555,904**	**$10,173,234**	**$9,598,941**	**$12,179,532**	**$2,580,591**

General Property Taxes

General property taxes are estimated to be $683,100 and account for 5.6% of general fund revenue in FY 2016. The reduction in overall reliance on general property taxes is an ongoing trend that began in FY 1997. 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. For tax year 2007 and onward, the Town receives 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.

There are no adopted property tax rate increases included in the Fiscal Year 2016 Adopted Budget. The table below lists the tax rates by property category.

Fiscal Year 2016 Adopted Property Tax Rates

Property Category	Tax Rate (per $100 assessed valuation)	Assessment Ratio
Real Estate	$0.015	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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Local Sales Taxes	$530,836	$561,084	$530,000	$600,000	$70,000
Consumer Utility Taxes	493,720	500,111	470,000	495,000	25,000
BPOL	1,366,761	1,915,325	1,595,400	1,700,400	105,000
Utility Consumption Taxes	63,831	75,646	61,000	65,600	4,600
Motor Vehicle Licenses	104,048	101,969	101,000	101,000	0
Bank Franchise Taxes	463,135	496,445	440,000	500,000	60,000
Meals Taxes	2,152,238	2,191,573	2,000,000	2,170,000	170,000
Cigarette Taxes	189,868	181,720	190,000	190,000	0
Transient Occupancy Taxes	187,263	190,232	187,000	190,000	3,000
Total Other Local Taxes	**$5,551,700**	**$6,214,105**	**$5,574,400**	**$6,012,000**	**$437,600**

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, along with the variable rate state sales and use tax, and 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 adopted changes in retail sales based on historical trends and adopted revenue by the Commonwealth. We are projecting steady increases in revenue based on collection trends for the past twelve months. Estimated to total $600,000 in FY 2016, local sales tax revenue accounts for 4.9 % 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. Revenue estimates are based on prior year's revenues. Consumer utility taxes are a consistent source of revenue for the Town and represent 4.1% 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 adopted change in the rates included in the adopted 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¢

Revenue in this category increased in FY 2014 as a result of the transition to For-Profit status of Fauquier Health System. At $1,700,400, this is the second largest local revenue source for the General Fund.

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 $65,600 for FY 2016, 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 requires a motor vehicle decal to be placed on all motor vehicles garaged in the Town as proof of payment of personal property taxes. Decals cost $15.00 for cars and trucks and $10.00 for motorcycles. Senior Citizens qualify for one half-price decal per individual per year. This is another fairly stable revenue category, representing 0.8% of the General Fund budget.

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 has grown over the last two fiscal years. The projection for the adopted budget accounts for 4.0% of General Fund revenues.

Meals Tax - The Town levies a 4% local tax on meals as defined by the model meals tax ordinance adopted in 2000. A significant source of revenue, representing 17.8% of the General Fund budget, it is largely dependent on the regional travel and tourism economy and the quality and quantity of available establishments within the Town limits. Collected for the first time in FY 1987, meals tax revenues have been consistent, showing a direct relation to the general economic climate. The adopted budget assumes an 8.5% increase compared to the FY 2015 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. This tax accounts for 1.5% 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 have remained level over the past few years. Transient occupancy tax accounts for 1.5% of total General Fund revenue.

Permits, Fees & Licenses

This revenue source consists primarily of user and permit fees for building or planning related items. In 2005, the Town studied the fee schedules of other jurisdictions within the Commonwealth and found it appropriate to revise and amend a portion of the Town's fee structure to reflect the updated cost of development services and include service elements that were not previously in the fee schedule. Zoning and land development application fees were revised at that time. Total revenues in this category have been adjusted according to estimates of zoning and building activity, and represent 1.1% of the General Fund budget. Additionally, user fees associated with the Town's Municipal Cemetery are included in this revenue category.

Fines & Forfeitures

Revenue in this category accounts for 1.6% 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.

Use of Money & Property

Interest and investment revenue fluctuates with the general economy and the level of the Town's cash balance. The $8,600 decrease in this line item is due to lower than expected market yields. Rental income from lease of General Fund property is also reflected in this line item and is based upon current lease agreements. This category represents 0.2% of General Fund revenue.

Charges for Services

This is a new category for the General Fund, owing to the dissolution of the Recreation Enterprise Fund. Revenue in this category includes rentals of pavilions and fields at various parks, which is anticipated to remain level, based on prior year rentals. For the Warrenton Aquatic and Recreation Facility (WARF), the areas of increase are Lane Rental Contracts, Exercise Classes, and Swim Meets. Revenues for other items are adopted to remain level. This category represents 12.1% of General Fund revenue for FY 2016.

Miscellaneous Revenue

The primary source of revenue in this category is an annual contribution for the support of the Warrenton Fauquier Visitor's Center by Fauquier County. Additionally, this revenue category consists primarily of recycling income, recovered costs, revenue from sale of plastic trashcan liners and sale of miscellaneous material and supplies. Also included is the sale of cemetery lots and proffers for traffic control, recreation, fire, and rescue. Revenue estimates, based on historical data, anticipated new construction build-out, and other contractual commitments by commercial and residential builders and developers, represent approximately 0.8% of total General Fund revenue estimates for FY 2016.

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. This revenue line item is affected inversely by a downturn in the economy. Rolling Stock tax is levied by the Commonwealth on railroad lines and motor carriers located within the corporate limits. The Communications Sales Tax was previously reported as a local revenue source, but is now recorded here to match the categorization prescribed by the Virginia Auditor of Public Accounts.

Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Motor Vehicle Rental Tax	$80,195	$95,712	$100,000	$90,000	($10,000)
Rolling Stock Tax	85	132	75	100	25
Communications Sales Tax	551,266	496,014	540,000	530,000	(10,000)
Total Non-Categorical Aid	**$631,546**	**$591,858**	**$640,075**	**$620,100**	**($19,975)**

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. The Town anticipates Categorical items to remain level compared to FY 2015. VDOT Revenue Sharing is reported in the Capital Projects Fund to more accurately match revenues with related expenditures. The following table provides a summary of Categorical Aid.

Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
VDOT Street & Highway Maintenance	$1,235,956	$1,275,601	$1,275,092	$1,275,092	$0
PPTRA Revenue	718,492	718,492	718,492	718,492	0
VDFP Aid to Localities	27,411	0	0	25,000	25,000
DCJP Section 599 Funds	197,512	197,512	195,000	195,000	0
VCA Local Government Challenge Grant	5,000	5,000	5,000	5,000	0
Litter Control Grant	4,148	3,659	3,000	3,000	0
State Asset Forfeiture Proceeds	2,203	346	500	500	0
Total Categorical Aid	**$2,198,247**	**$2,230,038**	**$2,197,084**	**$2,222,084**	**$25,000**

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 2016 fiscal year.

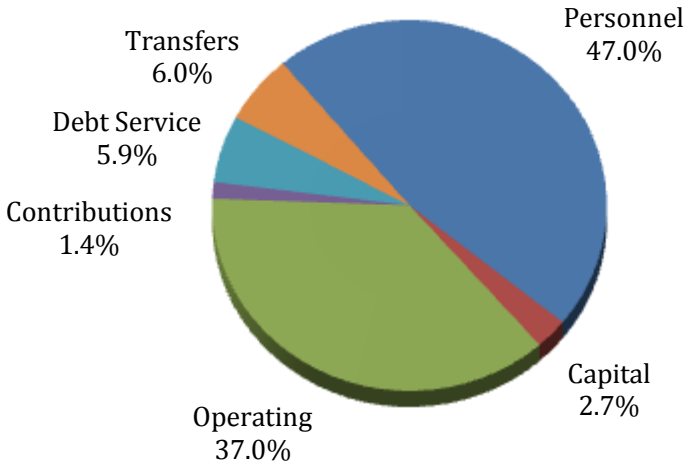
Use of Fund Balance

The deficiency of revenues over expenditures necessitates the use of fund balance in the amount of $713,430 to balance the FY 2016 budget for the General Fund.

General Fund Expenditures

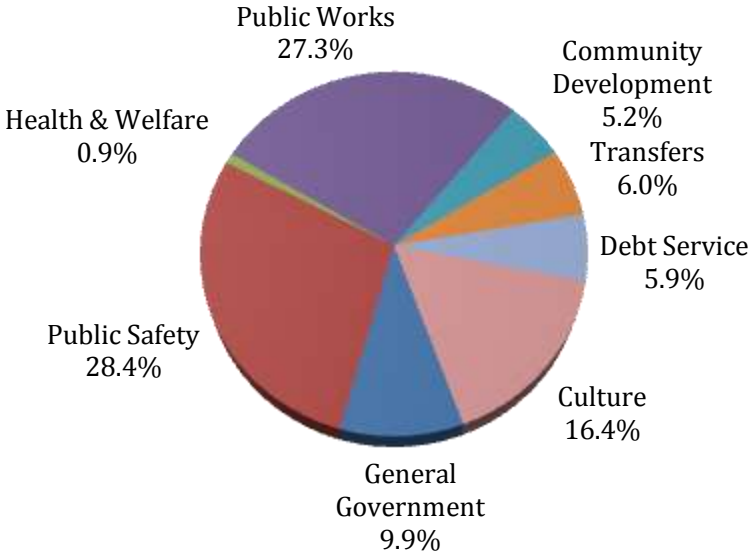
The following chart illustrates general fund expenditures by category.

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, health and welfare, community development, culture, 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 (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 adopted budget represents $1,192,007, or 9.8%, of the general fund.

Budget Summary

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Legislative	$191,450	$152,005	$199,414	$330,624	$131,210
Executive	196,122	196,599	213,495	208,852	(4,644)
Legal Services	145,149	171,236	143,042	162,451	19,409
Finance & Human Resources	456,902	446,772	467,701	470,502	2,801
Other Organizations	1,525	7,764	7,549	8,579	1,030
Elections	0	8,299	0	11,000	11,000
Total	**$991,148**	**$982,675**	**$1,031,201**	**$1,192,007**	**$160,806**

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.

Staffing

The Legislative function is staffed by the seven-member Town Council, the Mayor and an appointed Town Recorder, who serves on a part-time basis.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$117,641	$111,178	$110,065	$278,187	$168,122
Operating	73,809	40,827	89,349	52,437	(36,912)
Capital	0	0	0	0	0
Total	**$191,450**	**$152,005**	**$199,414**	**$330,624**	**$131,210**

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 Recorder/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.

The adopted budget for Town Council is $330,624, an increase of $131,210 from the prior fiscal year's adopted budget. The increase in the personnel category is due to the implementation for all Town employees of the Classification and Compensation study conducted during FY 2015. The implementation for general fund employees will total $182,170. A portion of this implementation will be absorbed by the adopted reduction in the current merit scale (from 0-7% to 0-5%). This savings is estimated to total $75,659, resulting in a net impact of $106,511 for the implementation of the classification and compensation system. The decrease in operating expenses is primarily attributed to the removal of funding provided to the Mosby Museum.

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.

Staffing

Staffing for this department consists of a full-time Town Manger and a part-time Executive Assistant.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$180,495	$180,092	$193,803	$187,227	$(6,576)
Operating	15,627	16,507	19,692	21,625	1,933
Capital	0	0	0	0	0
Total	**$196,122**	**$196,599**	**$213,495**	**$208,852**	**$(4,643)**
Full-time Equivalents	1.5	1.5	1.5	1.5	0

Budget Request / Analysis

The FY 2016 budget request shows a moderate decrease from the FY 2015 budget owing to changes in personnel. Slight operating increases result from increases in information technology costs (allocated on a per user basis from the internal service fund) and the copier lease.

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 & Sewer fund.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$14,485	$10,663	$11,602	$15,861	$4,259
Operating	130,664	160,573	131,440	146,590	15,150
Capital	0	0	0	0	0
Total	**$145,149**	**$171,236**	**$143,042**	**$162,451**	**$19,409**

Budget Request / Analysis

The budget request for FY 2016 represents a 13.6% increase over the FY 2015 Adopted Budget. The increase is primarily attributable to a $10,000 increase in Professional Services – Outside Counsel. The Town Attorney is provided an annual stipend of $2,400 plus health insurance coverage. The increase in personnel is due to changes in health and dental coverage.

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 administration;
- 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 cemetery records;
- Administration of the outsourced 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.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$376,598	$364,336	$364,370	$368,439	$4,069
Operating	80,304	82,436	103,331	99,563	(3,768)
Capital	0	0	0	2,500	2,500
Total	**$456,902**	**$446,772**	**$467,701**	**$470,502**	**$2,801**
Full-time Equivalents	8.1	8.5	8.1	8.1	0

Budget Request / Analysis

The budget request for FY 2016 reflects a modest increase of $2,801, or 0.6% over the FY 2015 budget. The $4,069 increase in personnel expenditures covers anticipated merit increases for staff.

Operating expenditures accounted for in this department include the cost of printing and mailing tax bills, business license renewal applications, purchase of motor vehicle decals for sale, employee award programs, General Fund costs associated with the external auditor, and General Fund bank service charges. The reduction in this category for FY 2016 is due to the classification and compensation study that was conducted during FY 2015 and is not an ongoing expense. The increase in the capital line item serves to purchase a laptop for the Director.

Departmental Goals and Objectives

- 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
- Continue to improve preparation of the CAFR to insure continued receipts of Certificate of Achievement for Excellence in Financial Reporting Program

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.

There are two local Chamber of Commerce groups – the Greater Warrenton Chamber of Commerce and the Fauquier Chamber of Commerce (GWCC). The Town has not been a member of the Greater Warrenton Chamber of Commerce since 2012. This year's budget reflects an application for membership in the GWCC and a membership renewal for the Fauquier Chamber.

Budget Summary

Organization	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Virginia Municipal League	$0	$5,989	$6,024	$6,054	$30
Virginia Institute of Government	500	500	500	500	0
Greater Warrenton Chamber of Commerce	0	0	0	1,000	1,000
Fauquier Chamber of Commerce	1,025	1,275	1,025	1,025	0
Total	**$1,525**	**$7,764**	**$7,549**	**$8,579**	**$1,030**

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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$0	$3,987	$0	$4,600	$4,600
Operating	0	4,312	0	6,400	6,400
Capital	0	0	0	0	0
Total	**$0**	**$8,299**	**$0**	**$11,000**	**$11,000**

Budget Request / Analysis

Elections will be held in May 2016 for each of the five Ward Council seats. The Fauquier County Registrar's office provided an overall estimate of the charges that will be incurred for this election.

PUBLIC SAFETY

Function Overview

The Public Safety budget includes the Town Police Department, support for the operations of the Warrenton Volunteer Fire Company, and the Inspections Department.

Budget Summary

Public Safety represents the largest section of the General Fund budget. Expenditures for this function for FY 2016 are $3,455,626 and represent 28.4% of the total General Fund operating budget, the largest portion of the budget.

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Police Department	$2,428,645	$2,401,860	$2,733,144	$2,961,212	$228,068
Fire & Rescue	173,733	157,236	137,730	192,568	54,838
Inspections	243,596	244,816	263,878	301,846	37,968
Total	**$2,845,974**	**$2,803,912**	**$3,134,752**	**$3,455,626**	**$320,874**

The Police Department shows an increase in expenditures of $228,068, owing mostly to personnel increases. Fire & Rescue shows an increase of $54,839 in response to request for increased support from the Warrenton Volunteer Fire Company. The Inspections Department shows an increase of $37,968, mostly due to a request by Council to reallocate the Fire Marshal's salary from the Fire & Rescue function to the Inspections department.

Detail for each Department's adopted 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. Two officers work an overlap shift of 11 am to 7 pm.

During 2014, the Department made 5,178 arrests to include: 2,224 traffic citations, 1,436 parking tickets, 1,283 written warnings and 235 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.

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$1,993,654	$1,920,340	$2,180,168	$2,364,643	$184,475
Operating	408,080	447,532	514,676	564,882	50,206
Capital	26,911	33,988	38,300	31,687	(6,613)
Total	**$2,428,645**	**$2,401,860**	**$2,733,144**	**$2,961,212**	**$228,068**
Full-time Equivalents	28.0	28.0	28.0	29.25	1.25

Budget Summary / Analysis

Personnel changes in the FY 2016 budget include the addition of two full-time police officers (total cost of $133,839), offset by the elimination of a part-time parking enforcement officer ($48,205) and reflects a full-year of the restoration of the Deputy Chief of Police position (hired mid-FY 2015, additional cost for this year of $59,476). The remaining increase is attributable to anticipated merit increases for employees and increases in health insurance expenditures.

The operating category includes new funding in the amount of $5,000 for a contribution to a regional Crisis Intervention Team Coordinator. The largest area of increase for operating is the information technology function, which is allocated to using departments at a rate of $3,717 per user. Other areas of increase are the costs associated with police supplies and maintenance contracts for Mobile Data Terminal software.

Capital outlay includes the purchase of two more Mobile Data Terminal units, more surveillance cameras for the Police Department, in-car printers for tickets and Police Department Training Room enhancements.

Current year estimates of Motor Pool costs are allocated to the Police Department based on actual usage for FY 2015. Throughout the year, actual costs will be charged to the department as they are incurred.

Departmental Goals and Objectives

- 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 provide for the safety of the citizens of the Town of Warrenton
- To continue to handle calls for service in a timely, courteous and professional manner, as well as provide personal service on all calls
- To increase traffic regulation as requested by the residents with the use of the Motor Program and Directed Patrols
- 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 cut overtime costs by having more effective shift management to accomplish the goals of the agency and address the concerns and needs of the community
- To successfully achieve State Re-Accreditation
- To identify grant funding for the purchase of a Livescan Fingerprint System
- To continue to build on training and expertise to fully develop an active shooter response capability
- To continue to expand the Department's RMS and MDT systems

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 160 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.

Also included in this function are costs associated with the Town's Fire Marshal.

Staffing

This program currently consists of one full-time paid firefighter who is stationed at the WVFC. The firefighter reports to the Town Manager, but takes daily direction from the WVFC Fire Chief. All other firefighters at WVFC are volunteers.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$97,419	$95,292	$79,124	$59,458	$(19,666)
Operating	76,314	61,944	58,606	133,110	74,504
Capital	0	0	0	0	0
Total	**$173,733**	**$157,236**	**$137,730**	**$192,568**	**$54,838**
Full-time Equivalents	1.0	1.0	1.0	1.0	0

Budget Request / Analysis

The adopted budget includes a recommendation to increase the annual contribution to the Warrenton Volunteer Fire Company from $50,496 to $100,000. WVFC has also requested that the Town provide another paid firefighter to increase staffing coverage. An application for a SAFER grant is currently in process with hopes that it will be awarded to cover the costs associated with an additional position. The position has not been included in the budget, pending the outcome of the grant application. Should the grant be received, SAFER grant funding would be available for two years, after which the Town would have to approve the use of local funding to support the additional position.

25% of the Town's Fire Marshal position has historically been allocated here, but has been moved to the Inspections department for FY 2016 at Council's request.

Inspections Department

Program Description

The Inspections Department provides all inspections for the Town to insure 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 department 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 Department, while partially included in the Public Safety functional classification, is under the supervision of the Director of Planning & Community Development reflecting the enforcement and ordinance responsibilities under that department. The Inspections Department delivers a level of service to the public and insures a minimum standard of compliance with Town ordinances based upon both the mission and value statements adopted by the Town Council. The Department 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 insure that they sustain the services provided by the Town and reflect the appropriate cost of the permit and inspection process. The Building Department 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.

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 50% of a Building Inspector is shared with Planning & Community Development to support permit application intake and zoning inspections for ordinance compliance. The full time Building Technician position has been reduced to a part time position in favor of shared personnel between Building and Planning & Community Development. These revisions began in FY 2010 and have offered ways of making the best use of personnel and accommodating budget changes and work load variations from year to year.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$219,978	$212,810	$233,843	$265,338	$31,495
Operating	23,618	32,006	30,035	36,508	6,473
Capital	0	0	0	0	0
Total	**$243,596**	**$244,816**	**$263,878**	**$301,846**	**$37,968**
Full-time Equivalents	3.25	3.25	3.25	3.50	0.25

Budget Request / Analysis

The FY 2016 budget for this department is relatively flat, apart from the reallocation of the Fire Marshal's position from the Fire and Rescue function to the Inspections department at Council's request. In 2014, there were 1,687 inspections, which is a decrease of 9.6% from 2013. The inspections included building permits, erosion and sediment control, fire protection, site development and public utilities plus signage, elevators, zoning, special facilities and property maintenance. Inspections for fire protection and erosion and sediment control have only been tracked for the last five years and are increasing as a formal part of the inspections program. The fee schedule for fire inspections was adopted seven years ago and is anticipated to represent an increasing part of inspection revenues in FY 2016. The Inspectors are also responsible for enforcement of these codes generally including notices to comply, stop work orders, corrections statements and, when required, appearance and testimony in court.

Significant commercial projects in the past year included continued work on the second and third phases of an addition to Fauquier High School, and the start of construction of an office and retail building on Alexandria Pike. Little residential development has been presented with only a handful of new dwellings permitted. The Madison Square townhouses are being constructed and site work is underway. Continuing projects include the final development of duplex units at Sterling Court and the infilling of subdivisions that were previously approved.

The increase in the personnel category reflects a full year of an additional part-time Permit Technician. This position provides coverage at the front counter of the Planning and Community Development department, and is partially allocated to the Inspections department. Additionally, the Fire Marshal's salary has been relocated here from the Fire and Rescue function.

The increase in operating expenditures owes to increases in the internal service departments of Motor Pool and Information Technology.

PUBLIC WORKS

Function Overview

The Public Works Department is responsible for maintaining 94.52 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 budgets 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 $1,275,092 in FY 2016.

The adopted budget for FY 2016 for the Public Works function totals $3,380,110 which is an increase of $65,513 from the current fiscal year for the nine operating budgets. All street positions are fully funded. 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 insure Warrenton's citizens receive the highest level of service possible within the budgetary limits set by the Council.

Budget Summary

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Administration	$455,386	$472,279	$505,276	$549,401	$44,125
Streets (including Arterial & Collector)	1,763,694	1,437,945	1,746,450	1,790,071	43,621
Refuse / Recycling	532,574	533,080	657,576	625,929	(31,647)
General Properties	242,953	251,235	272,914	288,075	15,161
Cemetery Maintenance	111,661	100,158	132,381	126,258	(6,123)
Total	**$3,106,268**	**$2,794,697**	**$3,314,597**	**$3,379,734**	**$65,137**

Public Works Administration

Program Description

The Administrative Department 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 2016.

Pedestrian connectivity around town and traffic related issues remain a priority and staff will continue to pursue additional VDOT and other grant programs to supplement funding for this and future budgets. ADA access to sidewalks and trails from public rights of way also remains a priority.

The Town is the permitting agent for the Virginia Stormwater Management Permit (VSMP) program. This is an expansion of the previous program with the implementation of a new ordinance, technical criteria for projects, and post-construction monitoring for state compliance. The Town is currently in the second year of its Municipal Small Storm Sewer System (MS4) permit under the Virginia Department of Environmental Quality (DEQ). The FY 2016 adopted budget covers year three of the permit and will involve the development of a Total Maximum Daily Limit (TMDL) strategy and continued development of best management programs (BMP) for implementation over the next 5-15 years to insure compliance with a higher level of DEQ and EPA Stormwater regulations.

Staffing

The Administration Department 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. The adopted budget provides for the addition of a part-time MS4/Stormwater program manager.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$404,337	$416,625	$435,221	$482,948	$47,727
Operating	47,312	55,654	65,055	66,453	1,398
Capital	3,737	0	5,000	0	(5,000)
Total	**$455,386**	**$472,279**	**$505,276**	**$549,401**	**$44,125**
Full-time Equivalents	4.4	4.4	4.4	4.9	0.50

Budget Request / Analysis

The adopted FY 2016 administration budget for the Public Works Administration Department reflects an increase of $44,125, which is mostly due to the addition of $37,803 for a adopted part-time position to support the newly implemented MS4 / Stormwater Management program. The professional services line item provides funds to accommodate miscellaneous surveying costs, property appraisals, easement plats, and technical assistance for Public Works related projects, consulting services of a certified arborist and energy conservation. The Administration Section is the primary staff in the review and approval of site development plans for streets, sidewalks, drainage, and storm water management.

Estimated Motor pool costs are allocated to departments based on the prior year usage. Administration has 4 dedicated vehicles and 1 pool vehicle (older pickup truck) for use by the other sections and staff.

Street Maintenance

Program Description

The Street Maintenance Department is responsible for all maintenance and repair activities associated with the 94.52 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.

Staffing

The Public Works Department is staffed with two street maintenance crews and four part-time seasonal staff 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 four part time employees to supplement staff with summer weed-eating, fall leaf collection and miscellaneous work around Town.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$ 646,129	$ 612,976	$ 737,122	$ 688,199	($48,923)
Operating	289,368	304,350	252,946	307,536	54,590
Capital	0	9,610	10,500	0	(10,500)
Total	**$ 935,497**	**$ 926,936**	**$ 1,000,568**	**$ 995,735**	**($4,833)**
Full-time Equivalents	16.0	16.0	16.0	16.0	0

Budget Request / Analysis

The FY 2016 street budget reflects a decrease of $4,833 compared to the prior year budget, largely owing to revised personnel estimates based on actual expenditures, and reductions in capital outlay. The Street, Arterial and Collector budgets are offset by the annual VDOT maintenance payments.

As mentioned elsewhere, 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 $208,813 has been estimated for the FY 2016 requirements of the motor pool function.

Arterial Street Maintenance

Program Description

The costs associated with the maintenance activities of the 30.88 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.

Staffing

Staff for this department 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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$89,172	$102,081	$95,809	$101,192	$5,383
Operating	317,352	164,715	283,827	305,800	21,973
Capital	0	0	0	0	0
Total	**$406,524**	**$266,796**	**$379,636**	**$406,992**	**$27,356**

Budget Request / Analysis

The bulk of the increase in operating expenses for the Arterial Streets budget is due to plans for increased work on Street Improvements and Paving. West-bound Lee Highway is scheduled for resurfacing.

The department 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 budget provides funding for maintenance of the less traveled streets of the Town, as defined by the Virginia Department of Transportation. The Town has 63.22 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 departmental 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.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$62,738	$75,234	$79,661	$85,044	$5,383
Operating	107,783	149,225	141,800	155,300	13,500
Capital	251,152	19,754	144,785	147,000	2,215
Total	**$421,673**	**$244,213**	**$366,246**	**$387,344**	**$21,098**

Budget Request / Analysis

The FY 2016 Collector Street adopted budget is an increase of $21,098 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 current extremely cold winter, which has been hard on paved surfaces around town. The department will increase crack sealing on a number of streets to slow deterioration for extended pavement life.

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 as recent year weather patterns have delivered more frequent and heavy snow events. There is $4,000 budgeted for tree maintenance and $3,000 identified for potential traffic calming projects that worked their way through the committee/review process established in the

traffic portion of the comprehensive plan. It is not anticipated that any additional new streets will be added to the inventory for the fiscal year due to the timing of the residential developments that are currently in the review process.

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.

Staffing

This department 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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$306,571	$298,290	$321,417	$332,118	$10,701
Operating	78,250	86,161	178,148	144,862	(33,286)
Capital	0	0	0	0	0
Total	**$384,821**	**$384,451**	**$499,565**	**$476,980**	**($22,585)**
Full-time Equivalents	4.8	4.8	4.8	4.8	0

Budget Request / Analysis

The FY 2016 budget is a decrease of $22,585 compared to the FY 2015 budget. The decrease is largely to a reduction in programming of potential changes in Fauquier County Landfill operations that may impact the Town.

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 7 days a week. Citizens are able to buy additional boxes of bags from Town Hall. The Town's waste stream has only grown slightly over the past 12 months with the current economy and housing market, but is adopted to remain around 4,000 tons in 2016. In calendar year 2014, a total of 3,711 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 translating into above average maintenance costs/vehicle. In FY 2014, a new refuse truck was purchased which has resulted in a reduction of the charges anticipated for maintenance and repairs.

Recycling Program

Program Description

The Recycling Department 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.

Staffing

This department 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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$93,769	$94,960	$101,708	$101,584	($124)
Operating	53,984	53,669	56,303	47,365	(8,938)
Capital	0	0	0	0	0
Total	**$147,753**	**$148,629**	**$158,011**	**$148,949**	**($9,062)**
Full-time Equivalents	1.2	1.2	1.2	1.2	0

Budget Request / Analysis

The FY 2016 budget of $148,949 for recycling collection is a decrease of $9,062 compared to the FY 2015 budget. Staff continues to stress recycling to individual citizens and businesses. In calendar year 2014, the department again surpassed the state mandated rate of 25% with a recycling rate of over 30%. 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.

Town staff collects newspapers and cardboard weekly along with co-mingled recycling in blue bags set at curbside. The costs have been kept steady by the continued use of the County recycling center at the Fauquier County Landfill, at no cost for handling the material. Staff will investigate the costs and potential benefits of contracting out the co-mingled collection as was the practice 10 years ago. There is no anticipated charge for the co-mingled recycling for FY

2016 by Fauquier County Landfill. The County is constantly looking for ways to expand their facilities to accommodate a wider range of recyclable products currently collected as trash. 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.

General Properties

Program Description

This department 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 Partnership/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 Recreation Fund budget, or the two rental houses, which are included in the Utility Department 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.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$48,704	$54,534	$52,753	$53,754	$1,001
Operating	177,960	184,679	220,161	234,321	14,160
Capital	16,289	12,022	0	0	0
Total	**$242,953**	**$251,235**	**$272,914**	**$288,075**	**$15,161**
Full-time Equivalents	1.0	1.0	1.0	1.0	0

Budget Request / Analysis

The maintenance budget provides funding for operation, maintenance and repair of all Town-owned buildings, structures and properties. The adopted FY 2016 budget of $288,075 is an increase of $15,161 compared to the FY 2015 budget, due to increased responsibility for the Mosby House. 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. 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. In order to keep the permanent staffing at the current level, contracting for maintenance and repairs will continue when possible to cover service contracts

for 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 Partnership for Warrenton and the Warrenton Meeting Place continues to work well with the tenants providing more than their share of maintenance to the building. Although these are good tenants, renting the building comes with the maintenance costs associated with being a landlord of an aging structure.

Cemetery Maintenance

Program Description:

This activity includes all Town direct expenses for the maintenance of the 18+ acre historic cemetery in the Town.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$89,811	$84,260	$100,892	$100,250	($642)
Operating	21,850	15,898	20,989	21,008	19
Capital	0	0	10,500	5,000	(5,500)
Total	**$111,661**	**$100,158**	**$132,381**	**$126,258**	**($6,123)**
Full-time Equivalents	2.0	2.0	2.0	2.0	0

Budget Request / Analysis

The FY 2016 budget request is level compared to the prior fiscal year. The request for capital outlay has decreased, owing to the purchase of equipment in FY 2015 that is not planned for in this fiscal year.

The Town has come to the end of generating revenue from the sale of lots. Thirty four (34) cremation sites are left, with no sites sold in the past year. Although all full size lots have been sold, staff still is involved in every burial (opening and closing the grave sites). A total of fifty-nine (59) burials were performed last year, which generated approximately $23,000 in fees. This year's budget includes additional maintenance efforts to repair the interior roads with millings and tar/chip on the deteriorated portions.

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 dug and closed each year.

HEALTH AND WELFARE

Function Overview

This function summarizes contributions made by the Town to outside agencies that provide services related to health, welfare, and social services. They strive to improve the quality of life of many individuals who are least able to help themselves. As such, the agencies are viewed as partners with the Town government in providing services the Town could not otherwise provide as efficiently. Brief descriptions of each of the organizations and their services follow the Budget Summary.

Budget Summary

Agency	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Hospice Support of Fauquier	$0	$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	6,950	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	39,961	39,961	0
Circuit Rider – Vehicle Expenses	17,367	16,331	5,200	5,200	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	0	0	10,000	10,000
Families4Fauquier	0	0	0	2,000	2,000
Leadership Fauquier	0	0	0	3,000	3,000
Boys & Girls Club of Fauquier *	10,000	10,000	10,000	10,000	0
Total	**$98,278**	**$98,492**	**$87,111**	**$102,111**	**$15,000**

** Amounts from prior years that were budgeted in the Recreation Enterprise Fund have been shown in this table for comparison.*

Budget Request / Analysis

Descriptions of the organizations requesting contributions from the Town in this functional area 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 budgeted contribution is $1,000.

Fauquier Community Food Bank/ Thrift Shop

The Fauquier Community Food Bank / Thrift Shop provides food and household provisions to residents of Fauquier County living below federal poverty guidelines. The budgeted 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 agency has requested level funding of $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 budgeted contribution is $4,500 for FY 2016.

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 Fauquier Free Clinic's funding for FY 2016 remains at $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 Center has requested level funding in the amount of $1,000.

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 2014 by VRT reflect the

importance of this service in the community. The Town is proposing to maintain $39,961 in direct funding, and $5,200 of "in-kind" services necessary to maintain and fuel the bus.

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 FY 2016 budgeted contribution to Literacy Volunteers of Fauquier County 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 budgeted contribution is $2,000 for FY 2016.

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. The funding requested is $500 and will be used to recruit and train volunteers. Currently, 67 of RRMRC's 163 Fauquier County volunteers are residents of Warrenton. The budgeted contribution for FY 2016 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 budgeted contribution is $10,000.

Families4Fauquier

Families4Fauquier provides affordable activities and entertainment for families in Fauquier County. Dedicated to promoting community involvement by uniting and connecting local area families, the organization has requested $2,669 in funding for FY 2016. The budgeted 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 budgeted contribution for FY 2016 is $3,000.

Boys & Girls Club of Fauquier

This contribution was previously reported in the Recreation Enterprise Fund. For the FY 2016 adopted budget, the parks and recreation function has been relocated to the general fund. 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 budgeted contribution is $10,000.

PARKS AND RECREATION

Function Overview

For Fiscal Year 2016, the decision has been made to dissolve the Recreation Enterprise Fund. The Virginia Auditor of Public Accounts does not recognize recreation as an enterprise activity, and with the increase in non-revenue generating activity related to parks and other Town-sponsored activities, it makes sense to pull these expenditures back into the General Fund for reporting purposes at this time.

Budget Summary

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Parks & Recreation:					
Fields Maintenance	$24,075	$15,874	$36,180	$36,180	$0
Aquatic Center	1,471,578	1,456,541	1,598,544	1,673,655	75,111
Parks Maintenance	71,241	61,399	63,443	158,895	95,452
Administration	82,839	99,934	120,368	118,652	(1,716)
Total Parks and Recreation	**$1,649,733**	**$1,633,748**	**$1,818,535**	**$1,987,382**	**$168,847**

Detailed descriptions of the adopted budgets for each of the departments listed above is provided in the following pages.

Parks and Recreation - Fields Maintenance

Program Description

Funds in this category provide for maintenance of the aquatic center grounds and areas of the athletic field complex as outlined in the Memorandum of Understanding with the Warrenton Fields Association (WFA). Activities involve contract mowing, fertilizing and reseeding of the general park areas and other areas to support athletic activities and the appearance of the complex. Included are maintenance of trails, sidewalks, portable toilet facilities, utility consumption and grounds maintenance.

Staffing

Expenses for personnel are not allocated to this function. The Parks Laborer may perform work for this function as necessary, but the charges are not allocated here.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Operating	$24,075	$15,874	$36,180	$36,180	$0
Capital	0	0	0	0	0
Total	**$24,075**	**$15,874**	**$36,180**	**$36,180**	**$0**

Budget Request / Analysis

The adopted FY 2016 budget for Fields Maintenance remains level at $36,180. Included in this functional area are the seasonal rentals of dumpsters and contractual costs for grounds maintenance. Grounds maintenance includes mowing, maintenance, and equipment rental. Warrenton Fields Association will continue to foster the development of the Bermuda grass turf surfacing and will continue to schedule play on the fields surrounding the WARF.

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.

Staffing

The Parks & Recreation Fund has only three full-time staff members. A percentage of their salaries are allocated to this function to reflect the level of effort required to support activities for the Aquatic Center. The majority of the staff is part-time, limited to working no more than 29 hours per week.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$840,160	$852,422	$932,130	$963,164	$31,034
Operating	626,318	598,884	666,414	690,491	24,077
Capital	5,100	5,235	0	20,000	20,000
Total	**$1,471,578**	**$1,456,541**	**$1,598,544**	**$1,673,655**	**$75,111**
Full-time Equivalents	2.25	2.25	2.25	2.25	0
Part-time Employees	95.0	95.0	95.0	95.0	0

Budget Request / Analysis

The FY 2016 budget is $1,673,655 which is an increase of $75,111, or 4.7% greater than the FY 2015 budget. A portion of that increase reflects increases in wages. The bulk of the increase in cost owes to the allocation of the information technology function; the increase in that category for FY 2016 is $12,987. Additionally, purchases of computer equipment specific to the recreation function total $20,000.

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

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's agreement with Fauquier County Parks and Recreation to oversee the facilities management and event scheduling was dissolved requiring additional resources to continue to provide the level of service enjoyed over the past decade.

Staffing

This function has been staffed by one part-time employee 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.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$34,966	$23,467	$21,361	$68,819	$47,458
Operating	36,275	37,932	42,082	90,076	47,994
Capital	0	0	0	0	0
Total	**$71,241**	**$61,399**	**$63,443**	**$158,895**	**$95,452**
Full-time Equivalents	0.75	0.75	0.75	1.75	1.0

Budget Request / Analysis

The Parks budget for FY 2016 of $158,895 is an increase of $95,452 or 150.5% more than the FY 2015 adopted budget. With the addition of two restrooms at Town parks in the current fiscal year, it is requested to add a full-time Parks Laborer position. The other significant increase is the addition of $40,000 to fund special events planned throughout the Town during the coming year.

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, four 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.

Staffing

The Administration consists of a Director, an Assistant Director and a Building Maintenance Technician. Their salaries are allocated between the Administration function and the Aquatic Center.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$66,298	$77,129	$95,186	$97,750	$2,564
Operating	16,541	22,805	25,182	20,902	($4,280)
Capital	0	0	0	0	0
Total	**$82,839**	**$99,934**	**$120,368**	**$118,652**	**($1,716)**
Full-time Equivalents	0.9	0.9	0.9	0.9	0

Budget Request / Analysis

The adopted Administration budget for FY 2016 is $118,652, which is $1,716 less than the current year adopted budget. The primary decrease is in the area of professional services.

CULTURAL ENRICHMENT

Program Description

Contributions in this category support community organizations that provide arts and cultural education, entertainment and enrichment. [1]

Budget Summary

Agency	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Piedmont Symphony Orchestra	$0	$0	$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
Partnership for Warrenton [1]	30,000	30,000	30,000	30,000	0
Warrenton Caboose [2]	1,000	1,000	1,000	1,000	0
Lord Fairfax Community College	0	0	0	7,500	7,500
Total	**$58,500**	**$58,500**	**$59,500**	**$67,000**	**$7,500**

Notes 1: In prior years, funding for the Partnership was budgeted in the Planning & Zoning Department.
2: In prior years, funding for the Warrenton Caboose was budgeted in the Recreation Enterprise Fund.

Budget Request / Analysis

Piedmont Symphony Orchestra

The Piedmont Symphony Orchestra (PSO) is in its 19th season of offering top quality orchestra performances in the Warrenton community. Five concerts are held 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 budgeted contribution is $1,000.

Bluemont Concert Series

The Town Manager recommends funding in the amount of $10,000 for FY 2016. 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. FHS has requested an increase in funding of $5,000. The budgeted contribution remains at $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 budgeted contribution is $2,500 for this event in FY 2016.

First Night Warrenton

Bluemont Concert Series requests funding in the amount of $5,000 for this annual New Year's Eve event, plus the cost of registering this event with the National organization. The budgeted contribution for First Night Warrenton in FY 2016 is $5,000. This amount includes the annual First Night Registration Fee.

Partnership for Warrenton

The Partnership for Warrenton Foundation is a community non-profit organization committed to building a Main Street District of thriving business, history, and social activities. The Partnership 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 Partnership for Warrenton is recommended to continue at its historic funding level of $30,000.

Warrenton Caboose

The Warrenton Greenway was 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. This contribution was previously reported in the Recreation Enterprise Fund, but has been moved to the general fund beginning with FY 2016. The requested funding remains level at $1,000.

Lord Fairfax Community College

The FY 2016 budget includes a contribution to Lord Fairfax Community College in the amount of $7,500 to fund a scholarship for one year for a Town of Warrenton resident. It is anticipated that the scholarship will be a needs-based scholarship.

COMMUNITY DEVELOPMENT

Function Overview

The functional classification of Community Development includes funding for all operational aspects of Planning, Zoning, Building Administration and Erosion and Sediment Control which includes current planning/zoning (zoning administration, rezoning, site plan review, etc.), long range planning, the Architectural Review Board, Planning Commission, Board of Zoning Appeals, Regional Planning District Commission coordination, special projects and the land development review process. The Planning Commission was included in the Planning & Zoning budget prior to being established as its own department in FY 2015.

Also included in this section is funding for the Visitors Center and a newly created (mid-year FY 2015) Economic Development Department.

Budget Summary

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Planning & Zoning	$346,965	$342,520	$324,006	$463,428	$139,422
Visitors Center	71,467	71,386	81,103	88,366	7,263
Economic Development	0	0	0	152,818	152,818
Planning Commission	0	0	9,200	9,751	551
Architectural Review Board	500	1,296	500	1,500	1,000
Board of Zoning Appeals	2,686	1,097	500	500	0
Total	**$421,618**	**$416,299**	**$415,309**	**$716,363**	**$301,054**

Detail for the adopted budget for each of the departments listed above is provided in the following pages.

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.

Staffing

The Planning & Zoning Department is staffed by two full-time personnel, a Director 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 Senior Code Inspector.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$235,419	$245,086	$258,897	$367,990	$109,093
Operating	81,546	67,434	65,109	95,438	30,329
Capital	0	0	0	0	0
Total	**$346,965**	**$342,520**	**$324,006**	**$463,428**	**$139,422**
Full-time Equivalents	3.0	3.0	3.0	3.0	0

Manager's Message:

The budget for FY 2016 is $463,428, which reflects an increase of $139,422 or 43.0% above FY 2015. During FY 2015, an additional part-time Permit Technician was added to the department to provide greater coverage of the department's front counter. Additionally, a Senior Planner position has been added to the department for FY 2016. The total cost of this position is budgeted at $98,481.

The largest area of increase with regard to operating expenditures is the adopted increase in professional services, owing to the Planning Commission's desire to contract certain technical reviews.

The department will continue its focus on the procedures and communication of development issues with the Town and the public. The Ordinances were amended within the previous year for State Code changes and will be reviewed and updated as appropriate to remain current. Staff can also focus on ancillary tools to assist the development review activities and provide uniform information to aid the Town in development decisions. Permits, applications and violations have been consolidated into electronic logs to adequately track progress and maintain continuity of the review process. The GIS adds the opportunity to correlate differing data elements and expand the staff review process as well as increase the availability of information to Council and the public.

The department works closely with Town agencies and departments to help achieve its objectives and improve efficiencies in the budget. There is already coordination of inspections through cooperative administration and consolidation of field inspections with the Building Department. A series of Standard Operating Procedures created within the past five years is under review to update departmental functions. In the past several years, this resulted in a streamlining of certain office operations and coordination with other departments, such as coordinated site reviews for bond reduction and "As Built" drawings that are triggered by the Certificate of Occupancy request rather than at bond release.

There will be continued involvement with Fauquier County and the Rappahannock-Rapidan Regional Planning District Commission (PD9) to coordinate local and regional planning issues. This year, the Commission has requested a contribution from participating localities in support of their role as lead housing agency. The Town's contribution is $2,678.

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.

Visitor's Center

Program Description:

The 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.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$55,716	$54,224	$61,031	$66,901	$5,870
Operating	15,751	17,162	20,072	21,465	1,393
Capital	0	0	0	0	0
Total	**$71,467**	**$71,386**	**$81,103**	**$88,366**	**$7,263**
Full-time Equivalents	1.5	1.5	1.5	1.5	0

Budget Request / Analysis

The FY 2016 budget request proposes a modest increase 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.

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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$0	$0	$7,200	$7,751	$551
Operating	0	0	2,000	2,000	0
Total	**$0**	**$0**	**$9,200**	**$9,751**	**$551**

Budget Request / Analysis

The increase in personnel expenditures reflects the inclusion of FICA expense (7.65% of wages) that had not previously been accounted for in the budget.

The operating budget includes $2,000 to cover training expenses.

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.

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. During 2013, the Board heard four (4) applications for a variance (special exceptions became special use permits in the 2006 zoning amendment and are heard by the Town Council) for an exception to the maximum front yard setback in the CBD Central Business District and R-10 Residential District. No appeals were presented to the Board. The revisions of the 2006 Zoning Ordinance amendment have resolved many previous problems with the bulk regulations.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Operating	$2,686	$1,097	$500	$500	$0
Total	**$2,686**	**$1,097**	**$500**	**$500**	**$0**

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. During 2013, the ARB considered 37 cases and issued 28 Certificates of Appropriateness for improvements and modifications to structures within the Warrenton Historic District. This represents a 76% rate of acceptance from applications. In addition, another 18 applications were processed administratively in accordance with the Historic District Ordinance and approved as appropriate with the regulations. No cases were denied and none was appealed to the Town Council during 2013.

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 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Operating	$500	$1,296	$500	$1,500	$1,000
Total	**$500**	**$1,296**	**$500**	**$1,500**	**$1,000**

Budget Request / Analysis

The increase in the operating budget reflects the addition of $1,000 to cover training expenses for board members.

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 partnership with the Department of Economic Development for the County of Fauquier. Initial goals for the program include filling vacant storefronts throughout the Town.

Staffing

The Department is staffed by one full-time Economic Development Manager, whose office is located at the Fauquier County Department of Economic Development. This position reports to the Town Manager, but is supervised on a daily basis by the Fauquier County Economic Development Director.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$0	$0	$0	$108,551	$108,551
Operating	0	0	0	44,267	44,267
Capital	0	0	0	0	0
Total	**$0**	**$0**	**$0**	**$152,818**	**$152,818**
Full-time Equivalents	0	0	0	1.0	1.0

Budget Request / Analysis

The budget for FY 2016 for the Economic Development department continues the efforts established during FY 2015. A comparison to the prior year adopted budget distorts the view since the position was established half-way through FY 2015. Personnel costs are maintained in line with normal projections for Town employees, and operating expenses are adopted to include marketing and promotional material.

TRANSFERS

Program Description

This function accounts for the transfer of funds from the General Fund to other funds as necessary.

Budget Summary

Transfer to	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Fund Balance	$0	$0	$42,129	$0	$(42,129)
Capital Projects	726,850	553,548	297,160	554,202	257,042
Recreation Fund	670,395	976,161	1,047,847	0	(1,047,847)
Total	**$1,397,245**	**$1,529,709**	**$1,387,136**	**$554,202**	**$(832,934)**

Budget Request / Analysis

The FY 2016 requested transfer to the Capital Projects fund represents the difference between the total adopted costs of the projects budgeted in the CIP and the funding to be received under the VDOT Revenue Sharing program.

The Recreation Fund will be dissolved as of June 30, 2014. All adopted expenditures associated with Parks and Recreation are included in the General Fund, thereby eliminating the need for a transfer.

DEBT SERVICE

Program Description

This function includes the funding for principal and interest payments for General Fund lease/purchase agreements and general obligation bonds. The debt service for the general obligation bonds was previously reported in the Recreation Enterprise Fund, which will be dissolved as of June 30, 2014.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Principal	$86,808	$174,880	$177,284	$520,554	$343,270
Interest	3,359	5,455	3,051	204,262	201,211
Fiscal Charges	0	0	0	290	290
Total	**$90,167**	**$180,335**	**$180,335**	**$725,106**	**$544,771**

Budget Request / Analysis

Debt service payments totaling $725,106 are budgeted for FY 2016. This includes a capital lease for Police Department equipment and bonds issued in support of the construction of Recreation facilities.

On September 28, 2012 the Town entered into a tax-exempt Lease/Purchase agreement in the original principal amount of $528,525 with the Industrial Development Authority of the County of Stafford and the City of Staunton, Virginia. The lease/purchase is in support of the Warrenton Police Department's Mobile Data Terminal Project. The agreement provides for six level payments of $90,167 over a three year term. The first payment under the lease was made in FY 2013. The budgeted amount for FY 2016 is $90,167 and represents the final payment due under the lease agreement.

Also included is general obligation debt in support of the Warrenton Aquatic and Recreation Facility. In FY 2013, the Town advance refunded its Series 2006A bond to achieve debt service savings through 2032 of $1,057,848. The Town owes 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 $634,939 are budgeted for FY 2016. Service fees of $290 are also included.

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.

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
FOR CURRENT AND LAST FISCAL YEAR

REVENUE	ADOPTED FY 2015	ADOPTED FY 2016
State Revenue	$ 140,742	$ 102,000
Transfers In	297,160	554,202
Use of Reserves	171,796	0
Total Capital Projects Revenue	**$ 609,698**	**$ 656,202**
EXPENDITURES		
Capital Outlay	$ 197,714	$ 122,047
Capital Projects	411,984	534,155
Total Capital Projects Expenditures	**$ 609,698**	**$ 656,202**

Capital Projects Revenues

Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Local Revenue	$62	$5,925	$0	$0	$0
State Revenue	0	0	140,742	102,000	(38,742)
Transfers	726,850	553,548	297,160	554,202	257,042
Use of Fund Balance	0	0	171,796	0	(171,796)
Proceeds from Indebtedness	528,000	0	0	0	0
Total Capital Project Fund Revenue	**$1,254,912**	**$559,473**	**$609,698**	**$656,202**	**$44,049**

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 2016, this amount will be funded with the use of fund balance from 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.

Capital Outlays

Total Capital Outlay for FY 2016 is $122,047, a decrease of $75,667 from the prior fiscal year.

Description	FY 2016 Adopted
Police Vehicles	$112,860
Police Department Improvements	9,187
Total Capital Outlay	**$122,047**

Police Vehicles

This category includes the replacement of two police cruisers as part of fleet maintenance program.

Police Department Improvements

This amount will provide for several enhancements totaling $9,187 in the Training Room at the Police Department, including a Smart Board and wireless access.

Capital Projects

The FY 2016 budget includes capital projects totaling $534,155, which is an increase of $122,171 from the FY 2015 budget.

Description	FY 2016 Adopted
Drainage Project	$84,410
VDOT Urban Project	10,000
VDOT Revenue Sharing	204,000
Recreation Projects	235,745
Total Capital Projects	**$534,155**

Drainage Project – Franklin Street

This project will replace failing corrugated metal pipe storm sewer from 3rd Street to the 5th Street parking lot entrance. The existing corrugated metal pipes are in a failing condition and have resulted in pavement subsidence in several locations along the street. The piping is to be replaced with reinforced concrete with an anticipated 50 year life span.

VDOT Urban Project – Broadview Avenue

This funding represents the Town's match at a rate of 2% of the total project cost. The $20,000 budget for FY 2016 will support the design phase of the Broadview Avenue project based on the current HNTB Study results. Staff is pursuing additional funding via alternative VDOT programs for the construction phase of the project.

VDOT Revenue Sharing - Mast Arm Conversion

This project is part of the VDOT Revenue Sharing program, which reimburses the Town for 50% of the expenditures on a project. This will provide for the conversion of the traffic signal from span wire to more reliable mast arms at the Blackwell Road – Lee Highway intersection. This is the final signal within Town limits to be converted.

Recreation Projects

Recreation Projects were previously budgeted within the Recreation Enterprise Fund. With the dissolution of this enterprise fund beginning with FY 2016, capital projects associated with parks and recreation will be accounted for along with other general fund projects in the capital projects fund.

The following Recreation Projects, totaling $235,745, are included for Fiscal Year 2015-16 in the CIP:

Academy Hill Park Improvements $40,000

This project includes a dog park, fencing of an outfield, field improvements, and a water fountain.

WARF Repairs / Improvements $16,000

Necessary repairs to the WARF include gutter replacement along the front of the building and replacement of the heat exchanger tube bundle

Trails $10,000

This amount will fund engineering and planning for the Timber Fence Trail.

Rady Park $11,500

Necessary repairs to the facilities at Rady Park include shelter path drainage, repair of stone posts, benches and parking area borders, fence replacement and the refurbishment of restroom interiors.

Depot Park $136,245

This amount represents funding for Phase I, which will include interpretive signage, construction of a railway type shelter, pavers, landscaping and identification of "track" areas. Picnic benches and trash cans will be installed, along with a pre-fabricated restroom.

Utility Vehicle $12,000

This amount will allow for the purchase of a utility vehicle such as a Rhino or Gator to service the areas of the trails around the soccer field complex, in particular the new restrooms.

Eva Walker Park Drainage $10,000

This project will correct drainage problem in two areas of Eva Walker Park where water stands (one area is near the basketball courts and one is near the path of the Haiti Street side of the park).

WATER AND SEWER FUND

The Town's Water and Sewer 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, stands alone as an enterprise fund. Monies used to support this budget are derived via monthly collections for services used by the Town's 4,834 residential and business accounts (a slight increase of 16 accounts in the past year), as well as availability fees paid by new customers, plus other miscellaneous charges.

SUMMARY OF WATER AND SEWER BUDGET
FOR CURRENT AND LAST FISCAL YEAR

REVENUE	ADOPTED FY 2015	ADOPTED FY 2016
Permits, Fees & Licenses	$ 8,500	$ 9,000
Revenue from the Use of Money/Property	156,000	160,000
Charges for Services	3,715,000	3,648,500
Miscellaneous Revenue	60,412	58,412
Grant Revenue	0	0
Non-Revenue Receipts	759,500	355,250
Transfers & Reserves	50,734	952,474
Total Water and Sewer Revenue	**$ 4,750,146**	**$ 5,183,636**
EXPENSES		
Water Supply, Distribution & Billing	$ 1,782,088	$ 1,967,823
Wastewater Treatment	1,672,585	1,749,071
Administration	818,333	803,742
Debt Service	0	0
Subtotal Operations	$ 4,273,006	$ 4,520,636
Capital Outlay & Projects	477,140	663,000
Total Water and Sewer Expenses	**$ 4,750,146**	**$ 5,183,636**

Water and Sewer Revenues

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

Source	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Local Revenue					
Permits, Fees & Licenses	$8,480	$8,305	$8,500	$9,000	$500
Use of Money & Property	144,451	163,961	156,000	160,000	4,000
Charges for Services*	3,570,606	3,608,609	3,715,000	3,648,500	(66,500)
Recoveries & Rebates	48,055	21,590	60,412	58,412	(2,000)
Total Local Revenue	$3,771,592	$3,802,465	$3,939,912	$3,875,912	($64,000)
State Revenue	**$11,841**	**$0**	**$0**	**$0**	**$0**
Non-Revenue Receipts*	$333,225	$123,913	$759,500	$355,250	($404,250)
Transfers & Reserves	0	0	50,734	952,474	901,740
Total Water & Sewer Revenue	**$4,116,658**	**$3,926,378**	**$4,750,146**	**$5,183,636**	**$433,490**

**The Town is currently in the process of performing a financial analysis and review of the current rates and fees charged. The last study was performed in 2006 and it is anticipated that there will be a new schedule of rates and fees recommended during FY 2016, which will potentially impact the adopted revenues.*

Local Revenue

Permits, Fees & Licenses - The Town charges a non-refundable processing fee for establishing new utility accounts. The estimate is determined using historical data. Adopted revenue is based on anticipated growth in population and business expansions, and reflects a $500 increase over the current adopted budget.

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 2016 estimate has been lowered slightly from FY 2015 due to continued historically low interest rates.

Charges for Services - The Town currently provides water and sewer services to approximately 4,834 residential and commercial customers, up 16 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 adopted budget is $3,648,500, or 70.4% of the water and sewer budget.

The Town is currently in the process of performing a financial analysis and review of the current rates and fees charged. The last study and was performed in 2006 and it is anticipated that there will be a new schedule of rates and fees recommended for the final FY 2016 budget. In this draft the current rates are shown below. With the current economy, customers are making efforts to conserve and that is adopted in the 2016 estimate. The following rate schedule is tentatively adopted for July 1, 2015:

Service	Water	Sewer
In-Town		
Base Rate, includes the first 2,000 gallons	$4.00	$10.80
Commodity Charge, per 1,000 gallons	$3.10	$6.20
Availability Fee, per ERC	$4,950	$7,300
Average Monthly Bill (based on 5,000 gallons)	$16.50	$29.40
Out-of-Town		
Base Rate, includes the first 2,000 gallons	$6.00	$16.20
Commodity Charge, per 1,000 gallons	$4.65	$9.30
Availability Fee, per ERC	$7,425	$10,950
Average Monthly Bill (based on 5,000 gallons)	$24.75	$44.10

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. The FY 2016 budget incorporates an anticipated $10,000 in impact fees for Stone Crest subdivision. Also included in this category is the recognition of deferred revenue for the Warrenton Training Center waterline maintenance per contractual agreement and sewer impact fees assessed to properties off Walker Drive. This category also includes miscellaneous revenue. Included are charges for the sale of meters and other connection materials charged directly to contractors or homeowners. This figure is tied to the adopted increase in new homes and new connections for the coming year. Recoveries and rebates represent 1.1% of the water and sewer budget.

Non-Revenue Receipts

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 a decrease of $404,250 for FY 2016 based on expected activity related to adopted developments. The FY 2015 budget anticipated the Rizer property and Warrenton Crossing developments to be under construction, which were delayed / deferred. FY 2016 revenue of $355,250 is estimated with a

more realistic initial sales projection for these developments. There are a number of potential projects in the initial planning stage, which if accelerated could provide additional revenue. This category represents 6.9% of the adopted water and sewer budget.

Transfers & Reserves

This amount represents funds previously placed in reserve with Council approval for projects that had not been started or were in progress at year end. The adopted use of reserves is $952,474. This is an increase of $901,740, or 18.4% over the current adopted budget.

Water and Sewer Expenses

During 2014, the water and wastewater treatment plants continued to operate within treatment parameters as issued by the Virginia Departments of Health and Environmental Quality. During this time, the water treatment plant produced an average of 1,192,785 gallons of potable water per day and the wastewater treatment plant treated approximately 2,012,548 gallons of sewage per day. Both numbers are below the 2.5 million gallon per day permitted for the wastewater plant and the 3.0 million gallons per day (MGD) permitted for the water plant. Sewer flows were slightly below 2013, but still higher than normal with 51.6 inches of precipitation for the year. The economy continued to be slow in FY 2015 with only 16 new accounts added. There is the potential for significant growth in the coming year with Mosby Crossing, Rizer property, and the Couk property (out of town commitment) under review for approval and almost every significant vacant property being considered for development. The past year with the above normal precipitation, as stated above, required no water transfers needed from the Airlie Reservoir.

The overall Utility Department budget of $5,183,636 is a adopted increase of $433,490 or 9.1% over FY 2015. Capital outlay, chemicals, and electrical costs for water/sewer treatment continue to be major expenditures. The Town is currently in the process of performing a financial analysis and review of the current rates and fees charged. The last study and was performed in 2006 and it is anticipated that there will be a new schedule of rates and fees recommended for the final FY 2016 budget.

The capital outlay program for the year addresses inflow and infiltration, seeks to increase water assets with the well #3 reactivation, provides for the assessment of the Warrenton Reservoir Dam spillway and the cooperative replacement effort with Public Works for two key pieces of equipment for repairs to streets due to utility repairs.

The water treatment plant is in its fifth year of operation since the upgrade to 3.0 million gallons per day capacity. Operations continue to be smooth without any significant issues. The primary issue of concern is the reduction of trihalomethanes in the storage and distribution system. Water production for the past two years has remained constant with the higher precipitation. There is the potential for increase in demand in the coming year with several developments that are initiating construction.

The Meter Reading section of the Utilities staff has made a smooth transition with management this past year. The section continues to function with only two personnel. Over 87% 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 below 10%. 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 section continues to be a more maintenance related budget with focus primarily 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 acquisition of a replacement CCTV for sewer line inspections, the identification of inflow and infiltration sources will be a significant effort during the coming year to help reduce unwanted flow to the treatment plant.

Staff will continue to monitor the various state (DEQ and VDH) and federal programs to take advantage of any funding that may be available and appropriate for utility related projects and improvements.

Budget Summary

Department	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Meter Reading	$202,409	$222,139	$201,626	$209,959	$8,333
Source of Supply	909,634	893,371	936,925	1,080,196	143,271
Transmission & Distribution	635,215	543,043	643,537	677,668	34,131
Wastewater Treatment	1,698,880	1,646,866	1,672,585	1,749,071	76,486
Water & Sewer Admin.	793,928	724,761	818,333	803,742	(14,591)
Capital Outlay	1,239,471	1,247,963	477,140	663,000	185,860
Total Water & Sewer Expenses	**$5,479,537**	**$5,278,143**	**$4,750,146**	**$5,183,636**	**$433,490**

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

Water and Sewer - Meter Reading

Program Description

The Meter Department is responsible for the reading of 4,834 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.

Staffing

The Meter Department is staffed by two full-time employees.

Budget Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$163,048	$120,217	$127,099	$133,233	$6,134
Operating	39,361	101,922	74,527	76,726	2,199
Capital	0	0	0	0	0
Total	**$202,409**	**$222,139**	**$201,626**	**$209,959**	**$8,333**
Full-time Equivalents	2.0	2.0	2.0	2.0	0

Budget Request / Analysis

The adopted budget for the meter reading department shows a modest increase of $8,333, or 4.1%, over the current fiscal year. The section continues to function with only two personnel with over 87% of the meters being remote or touch read and the remaining manual read meters are being addressed on an individual basis under the operating budget. Errors in misreading have become a thing of the past. Service meters for new construction units are installed with the latest radio remote read devices with the material costs paid by the builder through the meter fee.

Water and Sewer - Source of Supply

Program Description

The Source of Supply Section 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 4,834 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).

Staffing

The Water Treatment Plant is staffed by five full-time employees, supplemented by part-time staff.

Budget Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$426,989	$458,050	$451,160	$491,904	$40,744
Operating	482,645	435,321	478,765	578,292	99,527
Capital	0	0	7,000	10,000	3,000
Total	**$909,634**	**$893,371**	**$936,925**	**$1,080,196**	**$143,271**
Full-time Equivalents	5.725	5.725	5.725	5.725	0

Budget Request / Analysis

The adopted FY 2016 budget is an increase of $143,271 or 15.3% more than the FY 2015 budget. Energy and chemicals continue to be major cost elements. The most significant cost increase is the replacement of the granular activated carbon ($70,000) in the filters, which is scheduled for replacement at the end of its effective treatment life or 4 years (whichever comes first). The last replacement was in August 2011. General maintenance and the replacement of components are on the rise due to age and the rise in costs for parts and instrumentation. The Warrenton Reservoir Dam is operating under a temporary permit by DCR while it awaits a regulatory revision expected by December 2015, which may require a modification to the emergency spillway. A revised spillway evaluation is programmed in the CIP with a placeholder for potential structural modification in the out years. The staffing level is set at the minimum accepted by the State Department of Health, which requires a minimum of two operators per shift of operation for plants licensed at 2 MGD or greater and at least one of the operators 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, producing in 2014 an average 1.2 million gallons a day water of good quality, as evidenced by the fifteenth annual "Consumer Confidence Report" scheduled for mailing to all customers in June 2015 in accordance with federal law. There were no permit violations or State Health Department

inspection deficiencies during 2014. Included in the budget is funding for all facets of mandated testing of water (coli form, metals, lead and copper, disinfection profiling, disinfection by-products) to insure the plant meets current safety standards, which continue to grow in complexity.

Water and Sewer - Transmission & Distribution

Program Description:

The Transmission & Distribution is responsible for the daily maintenance, repair and servicing of over 85 miles of water line and 66 miles of sewer. Activities include repairing main breaks, replacing old and deteriorated water/sewer lines, maintaining water and sewer line easements, clearing obstructions from clogged sewage lines, collecting data with flow meters to identify high areas of infiltration/inflow in the gravity sewage system. The water system is flushed twice a year to remove sediments and minerals from the main lines. The over 726 fire hydrants and valves are serviced annually. To insure inadvertent disruption to service due to accidents the section responds to over 2,200 calls per year 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).

Staffing

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

Budget Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$507,404	$451,806	$497,348	$536,314	$38,966
Operating	127,811	91,237	142,689	137,854	(4,835)
Capital	0	0	3,500	3,500	0
Total	**$635,215**	**$543,043**	**$643,537**	**$677,668**	**$34,131**
Full-time Equivalents	7.0	7.0	7.0	7.0	0

Budget Request / Analysis

The adopted FY 2016 budget of $677,668 for the Transmission and Distribution section shows an increase of $34,131 which is 5.3% more than the current fiscal year. 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. Identification of inflow and infiltration sources will again be a significant effort during the coming year to help reduce unwanted flow to the treatment plant, using the CCTV procured in FY 2015 and visual inspection and sealing as needed of sanitary manholes.

Water and Sewer - Wastewater Treatment

Program Description

The Wastewater Treatment Plant 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 insure 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 waterwater treatment plant, the section is also responsible for the operation and maintenance of eight sanitary sewer pump stations.

Staffing

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

Budget Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$676,502	$654,875	$693,719	$715,319	$21,600
Operating	$1,022,378	991,991	959,366	1,029,252	69,086
Capital	0	0	19,500	4,500	(15,000)
Total	**$1,698,880**	**$1,646,866**	**$1,672,585**	**$1,749,071**	**$76,486**
Full-time Equivalents	7.725	7.725	7.725	7.725	0

Budget Request / Analysis

The FY 2016 budget of $1,749,071 represents an increase of $76,486 which is 4.6% greater than the FY 2015 budget. Costs for chemicals, energy and general repairs continue to increase. 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. Many of the plant components are at or near their 25 year life and are experiencing increased cost for repairs and will need to be programmed for replacement or upgrades in future capital outlay projects. 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 2,012,548 gallons of sewage per day in 2014. The flows through the treatment plant for the calendar year were due to 2013 being the third wettest in the past 12 years. The higher flows have brought attention to the need to increase efforts to identify and correct inflow and infiltration areas that diminish the plant's capacity. Development growth has been slow during the past year with only a net increase of 16 new residential and commercial accounts added. FY 2016 is poised to potentially experience a growth trend with two large subdivisions scheduled to be under construction and several large projects in the preliminary planning stage, all to impact sewer plant capacity.

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 - Administration

Program Description:

This Administration 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 insure safe drinking water and environmentally compliant wastewater treatment to protect public health and to keep the public informed through the annual "Consumer Confidence Report".

Staffing

The Section is staffed by four full-time employees. Also included are the allocations of general government salaries that support the water & sewer fund.

Budget Summary

	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$620,457	$570,728	$608,182	$611,724	$3,542
Operating	173,471	154,033	189,651	191,518	1,867
Capital	0	0	20,500	500	(20,000)
Total	**$793,928**	**$724,761**	**$818,333**	**$803,742**	**($14,591)**
Full-time Equivalents	4.0	4.0	4.0	4.0	0

Budget Request / Analysis

Included within the budget are the salaries of a Secretary II 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 Clerks, all of whom are full time town employees, but are only budgeted for that portion of their work performed for the Utility Department. The portion of the implementation of the Town-wide classification and compensation study that relates to positions in the Water and Sewer fund has been budgeted in this department. The total is $45,000.

The adopted FY 2016 budget of $803,742 is a decrease of $14,591 or 1.8% less than the current fiscal year, due primarily to the loss of one of the more senior staff during the past year. Staff continues to work with consultants in upgrading and providing tools to better track infrastructure maintenance and evaluate the water and sewer systems to determine impacts of adopted developments on the system's ability to serve. Staff will continue to monitor the operational aspects of the nutrient removal upgrade to the WWTP with an objective of not just meeting the permit limits, but also generating nutrient credits. This past year the plant again easily met the 4

mg/l nitrogen limit and generated the potential for approximately 7,300 lbs of credit. 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. Other sources of water and recapturing of sewer capacity will be pursued by staff and consultants. 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.

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 - Capital Outlay

Program Description:

The Utility Fund Capital Outlay department accounts for capital additions to the water and sewer utility system and is divided into several different sections for ease in presentation.

Manager's Message:

The Capital Outlay section of the Utilities 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 Utilities Capital Budget for FY 2016 is $663,000, summarized as follows:

Machinery and Equipment – T&D	123,000
Water Plant and Well Improvements	330,000
Sewer Line Rehabilitation	210,000
Total Water and Sewer Fund Capital Outlay	$663,000

Machinery & Equipment – Transmission and Distribution:

Asphalt Paver ($52,000): Replacement of existing asphalt paver that is over 25 years old and is unreliable and rentals are not available. Machine is to be able to mill small areas and have a paving width capability of 6-10 feet. Over half of pavement repairs annually are due to water/sewer line maintenance/repair of service line installations. The only way to achieve a smooth riding surface after a major repair is with a paving machine. Equipment to be cost shared with Public Works.

T&D Utility Truck Replacement ($33,500): 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 FY 2016 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 FY 2015, but was deferred due to a more critical vehicle replacement need for the section.

Dump Truck Replacement ($37,500): This is a cost share with Public Works for the purchase of a dual axle 15-20 ton capacity dump truck which will be an upgrade to the fleet. The vehicle is to be used jointly with Public Works on water and sewer line repairs, particularly asphalt pavement restoration work. The larger dual axle vehicle is capable of hauling three times the amount of the department's single axle 5 ton trucks, which translates to less congestion on job sites (primarily street right of ways) by having fewer vehicles on the streets and reducing the number of required trips.

Water Plant and Well Improvements:

Water Treatment Plant Physical Plant Expansion ($45,000): This project consists of design and construction of an 1,800 square foot 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 for disinfection. Also includes upgrades to the soda ash system with rapid mixers and dry chemical feeders. 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 FY 2016 funding is for the design of the expansion.

Water Storage Tank Mixing & Aeration ($45,000): This project is the second phase of the project initiated in FY 2015 to install mixer, aeration and ventilation systems in the drinking water storage tanks. The project will provide a combination of active mixing of the water with spray aeration and tank ventilation to remove trihalomethanes (THM). The Virginia Department of Health (VDH) required an assessment of the complete system to address the problem. The mixing and air stripping of THMs in the storage tanks was deemed the most practical and efficient solution. If not addressed, the Town will be in violation with VDH.

Warrenton Dam Spillway Evaluation ($15,000): This project consists of an evaluation of the Warrenton Reservoir Dam Emergency Spillway as directed by Virginia Department of Conservation & Recreation (DCR). In 2014, the Town received a "conditional" operating permit from DCR and was directed to conduct an emergency spillway evaluation of the dam using a 0.5 Probability Maximum Flood (PMF). DCR is in the process of revising the PMF criteria by December 2015. Once the new criteria are established, a spillway evaluation must be conducted in order to receive a 5-year O&M permit. Should the spillway be found to be inadequate, the corrected modification to the dam must be designed and constructed. Project is required by State and Federal governments under the Dam Safety Assurance Program.

Well #3 Activation ($225,000): Project is for the reactivation of Well #3 to meet Virginia Department of Health Drinking Water Standards. The existing well house will be demolished and replaced to house the new treatment system. The existing well cannot be used in its current condition to meet current standard well criteria by VDH due to high radio nuclides, which are from a low grade uranium vein in the geologic subsurface. The nuclide removal is a complex process which has caused some delay in the past for approval, but should be completed and constructed in FY 2016. The added water production is a critical asset in the Town's Strategic Water Supply Plan.

Sewer Line Rehabilitation:

Sewer Rehab I&I ($210,000): This project is for the rehabilitation of approximately 3,000 feet of deteriorated sewer main in the Taylor Pump Station sub-basin. The Taylor Pump Station basin has experienced several sanitary sewer overflows in the past two years during high storm precipitation events. This effort is to address problem areas identified by field investigations in FY 2015 by staff with assistance by Whitman Requardt & Associates.

Water and Sewer - Debt Service

Program Description:

The Utility Fund debt service accounts include principal, interest and related charges associated with the long-term debt of the fund.

Manager's Message:

The Town of Warrenton retired $3,375,000 in outstanding debt on September 1, 2003. Accordingly, the Water and Sewer fund is debt free.

MOTOR POOL FUND

Program Description

The Motor Pool Fund is classified as an internal service fund. 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.

Staffing

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

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$200,835	$200,936	$203,137	$204,259	$1,122
Operating	206,338	262,685	226,498	236,397	9,899
Capital	0	0	0	0	0
Total	**$407,173**	**$463,621**	**$429,635**	**$440,656**	**$11,021**
Full-time Equivalents	3.0	3.0	3.0	3.0	0

Budget Request / Analysis

The adopted FY 2016 budget for the Motor Pool is $440,656 which is an increase of $11,021 or 2.6%, greater than the FY 2015 adopted budget. The primary increase is in contractual repairs and maintenance and parts.

The motor pool staff remains at three (3) personnel, which has not changed since 1998. Overtime has been included in the adopted 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 insure equipment can be put back into service quickly. 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.

In prior years, information technology costs were allocated between the General Fund and the Water and Sewer Fund based on a 60/40 ratio. Beginning in FY 2008, information technology costs were allocated on a monthly basis according to the number of network users in each respective department across all funds.

Staffing

The Town has historically outsourced the Information Technology function. A full-time position is requested for this fund for FY 2016.

Budget Summary

Category	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	Change
Personnel	$0	$0	$0	$85,162	$85,162
Operating	126,209	166,740	202,076	162,650	(39,426)
Capital	31,622	148,223	48,000	80,000	32,000
Total	**$157,831**	**$314,963**	**$250,076**	**$327,812**	**$77,736**
Full-time Equivalents	0	0	0	1.0	1.0

Budget Request / Analysis

The FY 2016 budget for the Information Technology Fund is $327,812, an increase of $77,736, or 31.1% compared to the FY 2015 adopted budget. This amount will be allocated to the using departments based upon the current number of network users at a rate of $3,717 per user per year.

The request for FY 2016 includes the addition of a new full-time position. Currently, the Finance & Human Resources Director is responsible for updating the Town's website, monitoring staff emails, and overseeing the activities of the IT contractor - functions that are largely inconsistent with the other duties of the Director and that would best be performed by an employee with more time and more specialized training. With the website design and development project anticipated to be completed by the beginning of the fiscal year, staff believes that the Town would benefit from having an employee available to insure that the website content is updated in a timely manner and that funds for information technology are

spent in the most effective manner. Additionally, it is anticipated that this new employee will be able to field a great amount of the user support that is currently provided by the contractor.

The budget request includes $49,000 in professional services for weekly help desk support and installation services for budgeted projects. This is a reduction of $56,000 from FY 2015, and reflects the addition of a paid Town employee. Maintenance contracts for Information Technology software and hardware total $91,150, and communications (for services such as cable and T1) are estimated at $18,000. Equipment to be purchased in FY 2016 includes several server and network switch projects for equipment for which end of support has been announced.