Fiscal Year 2017

Town of Warrenton, Virginia Proposed Budget

Office of the Town Manager
Town of Warrenton, Virginia
Fiscal Year 2017

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INTRODUCTION

MEMORANDUM

TO: **Honorable Mayor and Town Council**

FROM: **Brannon Godfrey, Town Manager**

DATE: **March 31, 2016**

SUBJECT: **FY17 Budget Transmittal**

The proposed FY17 Budget ($20,943,890) represents a total increase of $2,595,229 or 14.1% over the amended FY16 Budget. This increase is largely attributable to increased capital programs for governmental and utility projects. The proposed General Fund operating budget ($13,077,100) increases by only $14,075 over the amended FY16 Budget and is balanced with a 3.5¢-increase in the real estate tax rate and a 5% increase in WARF user charges. The proposed Water & Sewer Operating Fund Budget ($5,401,404) increases by 4.2% and is balanced with the second phase of increases to user charges of 20% effective July 1, 2016.

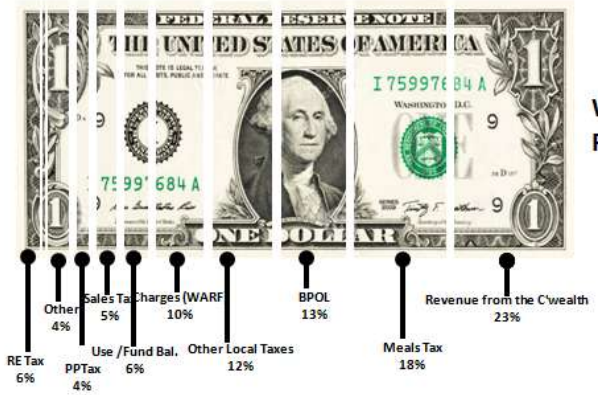
This budget is based on realistic projections of revenues needed to provide for the funding of Town operations and capital projects. As noted in last year's budget message, we cannot continue to rely on reserves to fund operations. The proposed budget takes important steps to reduce dependence on reserves in both the General Fund and the Water & Sewer Fund.

General Fund

Revenues

There are three key changes from prior years in the proposed General Fund revenue: 1) an increase in the real estate tax rate to 5 cents; 2) more conservative revenue forecasting; and 3) a limitation on the use of fund balance to an amount no more than is needed for capital improvements.

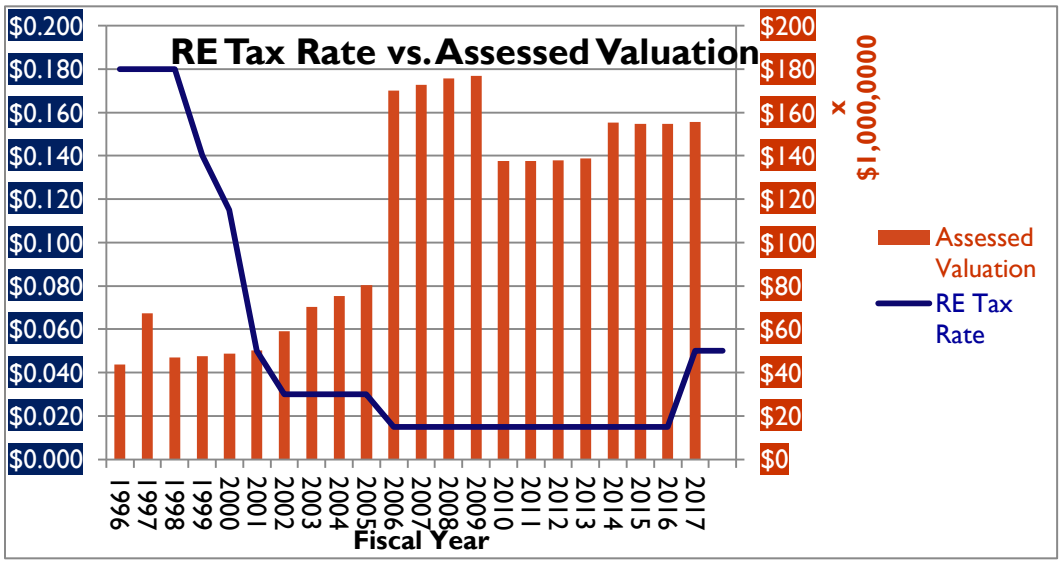
Real Estate Tax Rate: As taxpayers, we pay for most of the cost of General Fund operations when we spend our personal income in Town businesses. Unlike cities and counties that collect most of their General Fund revenue from real estate taxes, the Town taxpayers pay very little for their government services with real estate taxes. Over the last ten years, less than 2% of annual General Fund revenue came from real estate taxes. The largest source is business licenses, meals, sales and other business-type tax revenues, which comprise almost half of



General Fund revenue. State aid for street maintenance and law enforcement makes up the next largest share at 23%.

The current annual real estate tax bill for the median Warrenton home of $345,300 is $51.80. Again, the Town has been able to keep real estate taxes very low for many years because of the preponderance of business tax revenue. The trade-off for this dependence is that we are subject to the ups and downs of the economy and consumer spending. Those revenues fluctuate monthly – a heavy weekend snowstorm will have a negative impact on the month's receipts for many businesses. In contrast, real estate values are fully reassessed once every four years. Even with changes in the real estate market, the real estate tax revenue is a more stable and predictable source of General Fund revenue.

To reduce the use of fund balance and to increase the real estate tax share of revenue, I am recommending an increase in the real estate tax rate from 1.5¢ to 5¢. Using the example property valued at $345,300, the annual tax bill will be $173/year, or an equivalent increase of $10/month, from $4 to $14. It will increase the real estate tax share of General Fund revenue from 2% to 6%.



<u>Business Revenue Forecast:</u> The largest amount of General Fund revenue comes from businesses activity – sales tax, meals tax and BPOL revenue. I am projecting 2.5% growth in FY17 over the current year collections based on a four-year trend and compared to the Commonwealth budget forecast. There are no rate increases proposed for these revenues.

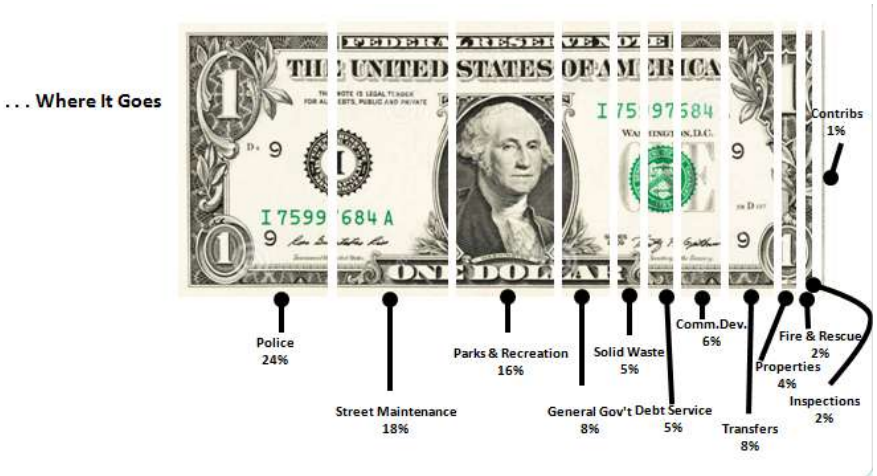
- The sales tax revenue increases by $40,000 over the FY16 Budget to $640,000. In comparison, the Commonwealth experienced 4.9% sales tax growth in FY15 and is projecting growth rates of 5% in FY16 and 3.9% in FY17.

- Meals tax revenue increases by $180,000 over the FY16 Budget to $2,350,000. The current year growth trend is 4%.
- BPOL revenue increases by $42,400 over the FY16 Budget to $1,742,800. This growth rate is also conservative compared to the annual 6% growth trend for FY13 – FY16.

WARF Revenue Forecast: WARF operating revenues have been budgeted at $1.33M, $1.38M, and $1.4M, respectively, in FY14 through FY16. Actual revenues for those fiscal years are closer to $1.2M. This budget more accurately projects these revenues at $1,286,588, which includes a 5% increase in WARF membership and other user charges. This is an initial step toward the recommended WARF user charge increases in the 2012 LERN Network analysis.

Use of Fund Balance: The proposed budget recommends an appropriation of $693,879 from fund balance. In FY16, the adopted budget included $713,430 in appropriation of fund balance. While our goal is to continually reduce reliance on fund balance, there are two justifications for its use in FY17. First, the CIP has increased from $554,202 in FY16 to $1,449,331. Because we are not financing any of the governmental capital projects with debt, all of them are funded from General Fund operating revenues and reserves. Second, the General Fund balance increased by $1,069,565 at the end of FY15 to $12,617,363. Therefore the use of $693,879 in fund balance for capital projects in FY17 – one-time expenditures – is feasible and still preserves a healthy reserve.

Expenditures



The Town's governmental operations are accounted for in the General Fund. Law enforcement, public works and recreation make up 2/3 of all General Fund expenditures.

Personnel: Our largest expenditure category is personnel – the 98 full-time and approximately 120 part-time and seasonal employees who carry out the mission and services of the Town. Last year, Council approved comprehensive increases to pay based on a comparative compensation study. For the General Fund, the total amount of the compensation increases was budgeted in a single line item in the Legislative Division for $182,170. This is allocated in each department's salary line item for FY17, so Legislative Division budget returns to the FY15 level. Now that compensation equity is achieved, this budget proposes to sustain it with merit-based pay increases. Employees are evaluated annually. Based on the evaluation, they are eligible for a 0 – 5% pay increase. For

budgeting purposes, I have applied an average 3% increase to the cost of current salaries in FY17.

We are in the second year of a two-year contract with Anthem – Local Choice for health insurance. Our renewal rate will require an increase in the budget of 7.4% or $68,112. Fortunately, this is offset by a simultaneous reduction in our VRS premium for the employer share of retirement costs of $74,424. The VRS rate is reset with each state biennium, and so the rate will hold for FY18, as well.

There are five position additions or reclassifications recommended in this budget.

- First, it includes a full year of funding for the second firefighter position that we began mid-year in FY16. The additional cost of salary and benefits totals $31,550.
- Second, the budget includes two additional Police Officer positions to provide staffing of four patrol officers on each shift. The positions will be phased in during the fiscal year to lessen the initial budget impact and to coincide with the academy; the first officer position is authorized on July 1, 2016 and the second officer on January 1, 2017. This increases the authorized positions to four officers in two of the three on-duty squads, enabling more complete coverage during periods of vacancies due to military, sick or training leave. The additional cost of salary and benefits totals $101,088.
- And finally, this budget proposes to reclassify from part-time to full-time the Marketing Coordinator and Aquatics Coordinator positions in the Parks & Recreation Department. The Marketing Coordinator is responsible for promoting the Parks and Recreation Department by developing and disseminating brochures, advertisements, flyers, signage, social media, email promotions, etc. The position is essential to increasing WARF revenue. A full-time Aquatics Coordinator is essential to keeping our patrons safe, to provide additional needed attention to aquatics programming, and to provide Manager on Duty coverage in areas where it is needed. The additional cost of salary and benefits totals $84,434.

Operational Expenditures: The most significant operating expenditure that is not related to personnel is the cost of the Comprehensive Plan Update. The proposed budget includes $170,000 for the first of two fiscal years' expenditures; I estimate that another $75,000 to $100,000 will be needed to complete the work in FY18. The expenditure is for the cost of consultants to conduct and analyze data on demographics, service demands, housing and market analyses, public facilities needs, and recommending implementation of zoning code amendments, future land uses and overlay districts. We have already reduced up to $65,000 of the professional services cost with an Urban Development Area grant, and will pursue other grant sources to reduce the budget impact.

Capital Improvements: The proposed budget includes a transfer of $1,052,331 from the General Fund to the CIP Fund for capital projects. This is an increase of $498,129 over FY16. The current year program ($656,202) included three project areas: police vehicles, street & highway improvements, and recreation facility improvements. The FY17 capital projects proposed from the General Fund include:

- $586,931 for replacement vehicles, equipment, building system and radio system upgrades
- $150,000 for Fire Department apparatus
- $315,400 for park improvements, and drainage, sidewalk, parking lot projects

The CIP Fund also includes a traffic signalization project which is covered by proffered funds and VDOT revenue sharing funds. The details on these projects and their sources of funds are included in the CIP section.

Water & Sewer Fund

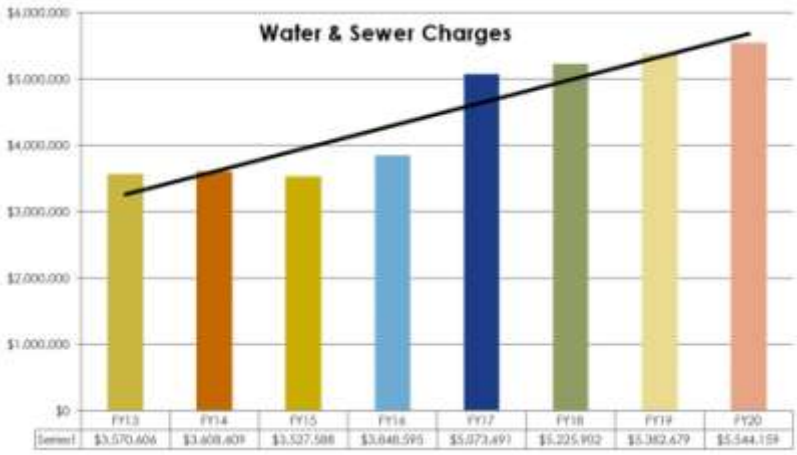
Revenues

Early in 2015, the Town Council, the Interim Manager and Utilities Director concluded that the structural imbalance of operating revenues in the Water & Sewer Fund was unsustainable. The user charges, which had remained more or less unchanged for the previous twenty years, were due to be increased. The Town engaged the Municipal Financial Services Group (MFSG) to conduct a Rate Study and recommendation; the Study was completed in the summer of 2015.

The recommended rate increase was too steep to undertake in a single step. With a new multi-tier commodity charge, the new rates would have increased by a range of 37% to 92%, depending on meter size. Prior to the adoption of new rates, we made three changes to the Rate Study recommendation to mitigate the rate shock: 1) we introduced a financing plan for capital improvements; 2) we replaced the three-tier declining rate structure with a base + single tier rate structure; and 3) we spread the resulting initial rate increase over 18 months, with the first rate increase in January 2016 and the next increase to come in July 2016.

The Town entered the borrowing market at the right time in March, obtaining a direct bank loan for $5.5 million at a 25-year fixed rate of 2.55%. These funds will be available to begin an accelerated two-year capital improvement program this summer to reduce Inflow & Infiltration into the sewer system, wastewater treatment plant upgrades, and reservoir and other water supply improvements. This debt will be repaid from the water and sewer revenues. The first full year of debt service cost ($301,010) will be in the FY19 budget; an initial interest payment of $103,119 is budgeted in FY17 followed by $128,010 in FY18.

The second step of the water and sewer rate increase is recommended for adoption along with the FY17 Budget. These rates will take effect July 1, 2016. The January 1, 2016 rate increased customer bills by 11% to 32%, depending on meter size. The rate increase proposed for July 1, 2016 will increase customer bills by about 20%. We should plan on annual 3% water and sewer rate increases over the next several years to assure that revenues cover operating expenses and that we maintain a minimum of 200 days of operating reserve. The FY17 rate increases will generate an additional $1,225,096 in rate revenue over FY16.



Expenses

There are six categories of water and sewer operating expenses: meter reading, water treatment, water and wastewater distribution and collection lines, wastewater treatment, debt service and administration. These total $5,401,404 in FY17, which is a 4% increase over FY16 operating expenses. As with the General Fund, most of the Water and Sewer Operating Fund expense increase is attributable to personnel costs. Other than an additional $45,000 for meter equipment, the non-personnel operating expenses for the Water and Sewer are essentially level-funded for FY17.

Capital Improvements

Water and Sewer Capital Improvements in FY17 will be accounted for in a separate Capital Fund for the first time. Although this accounting results in increases to fund transfers, it keeps the revenue from availability fees and bond proceeds separate from operating revenue. Compared with the FY16 capital program ($663,000), the much larger FY17 capital budget ($2,163,837) begins a multi-year effort to regain water and wastewater capacity with improvements to the sources, treatment facilities and collection and distributions systems. Much of this capital program will be financed, as noted previously, to take advantage of low fixed borrowing rates and to spread out the cost for ratepayers to the life of the improvements (as opposed to exclusively burdening the current ratepayers with cash funding).

The following projects are programmed to begin in FY17, and are funded with a combination of cash and debt proceeds:

- $1,800,000 Inflow & Infiltration abatement
- $300,000 Well #3 activation

- $600,000 WTP physical plant improvements
- $1,600,000 WWTP upgrades
- $600,000 dam spillway improvements

These utility projects are described in detail in the CIP section of the budget.

SUMMARY

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

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

This is the recommended FY17 Budget – there is still work to be done before it is truly a policy document adopted by Town Council. The Town staff and I look forward to working with you in the coming weeks to shape it into its final form.

COMBINED BUDGET SUMMARY

The following provides a summary of the Proposed Budget for Fiscal Year 2016-2017 across all appropriated funds compared to the Amended Budget for Fiscal Year 2015-2016. Greater detail is provided for the General Fund, followed by summary totals for the other funds. Transfers between funds are deducted in order to show the total estimated revenues and appropriations. Revenues and Sources of Funds are shown on this page and Expenditures and Uses of Funds are shown on the next page. The total increase compared to the current year amended budget is $2,595,229, or 14.1%.

FY 2016-17 PROPOSED BUDGET SUMMARY
TOTAL ESTIMATED REVENUES – ALL FUNDS

	FY 2016		FY 2017	Compared to Amended	
Revenues / Sources	Adopted	Amended *as of January 2016*	Proposed	Change ($)	Change (%)
General Fund					
General Property Taxes	$ 683,100	$ 683,100	$ 1,229,450	$ 546,350	80.0%
Other Local Taxes	6,012,000	6,012,000	6,332,200	320,200	5.3%
Permits & Fees	137,530	137,530	187,100	49,570	36.0%
Fines & Forfeitures	190,000	190,000	180,000	(10,000)	-5.3%
Use of Money/Property	21,900	21,900	22,500	600	2.7%
Charges for Services	1,405,538	1,405,538	1,286,588	(118,950)	-8.5%
Miscellaneous Revenue	171,350	171,350	165,100	(6,250)	-3.6%
State Revenue	2,842,184	2,842,184	2,976,283	134,099	4.7%
Federal Revenue	2,500	7,487	4,000	(3,487)	-46.6%
Use of Fund Balance	713,430	1,591,936	693,879	(898,057)	-56.4%
General Fund Total	$ 12,179,532	$ 13,063,025	$ 13,077,100	$ 14,075	0.1%
Other Funds					
Capital Projects	$ 656,202	$ 656,202	$ 1,449,331	$ 793,129	120.9%
Water & Sewer	5,183,636	5,183,636	-	(5,183,636)	n/a
Water & Sewer Operating	-	-	5,401,404	5,401,404	n/a
Water & Sewer Capital	-	-	2,163,837	2,163,837	n/a
Motor Pool	440,656	440,656	477,403	36,747	8.3%
Information Technology	327,812	327,812	360,029	32,217	9.8%
Total All Funds	$ 18,787,838	$ 19,671,331	$ 22,929,104	$ 3,257,773	16.6%
Less Transfers	(1,322,670)	(1,322,670)	(1,985,214)	(662,544)	50.1%
Total Estimated Revenues	$ 17,465,168	$ 18,348,661	$ 20,943,890	$ 2,595,229	14.1%

FY 2016-17 PROPOSED BUDGET SUMMARY
TOTAL APPROPRIATIONS – ALL FUNDS

Revenues / Sources	FY 2016 Adopted	FY 2016 Amended *as of January 2016*	FY 2017 Proposed	Compared to Amended Change ($)	Compared to Amended Change (%)
General Fund					
General Government	$ 1,192,008	$ 1,232,602	$ 1,081,661	$ (150,941)	-12.2%
Public Safety	3,455,626	3,775,926	3,717,343	(58,583)	-1.6%
Public Works	3,379,734	3,902,333	3,381,295	(521,038)	-13.4%
Parks & Recreation	1,987,382	1,987,382	2,070,086	82,704	4.2%
Community Development	716,363	716,363	936,357	219,994	30.7%
Contributions	169,111	169,111	201,437	32,236	19.1%
Debt Service	725,106	725,106	636,590	(88,516)	-12.2%
Transfers	554,202	554,202	1,052,331	498,129	89.9%
General Fund Total	$ 12,179,532	13,063,025	13,077,100	14,075	0.1%
Other Funds					
Capital Projects	$ 656,202	$ 656,202	$ 1,449,331	$ 793,129	120.9%
Water & Sewer	5,183,636	5,183,636	-	(5,183,636)	n/a
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Less Transfers	(1,322,670)	(1,322,670)	(1,985,214)	(662,544)	50.1%
Total Appropriations	$ 17,465,168	$ 18,348,661	$ 20,943,890	$ 2,595,229	14.1%

BUDGET PROCESS

Fiscal Year 2017 Budget Calendar

DATE	ITEM
OCTOBER 2015	Package of budgetary instructions delivered to Departments and Outside Agencies
NOVEMBER 15, 2015	Funding requests submitted to Finance Department
JANUARY 1, 2016	Draft budget compiled by Finance and submitted to the Town Manager
JANUARY 2016	Town Manager's review of draft budgets, studies and reports and preparation of the Proposed Budget
APRIL 1, 2016	Delivery of the Proposed Budget to Council
APRIL – MAY 2016	Work Sessions and Special Meetings held to review the Proposed Budget
MAY 12, 2016	Public Hearing on FY 2017 Proposed Budget
JUNE 9, 2016	Adoption of the FY 2017 Budget
JULY 1, 2016	Beginning of Fiscal Year 2017

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.

SUMMARY OF DIFFERENCES BETWEEN PROPOSED BUDGET AND ADOPTED BUDGET

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

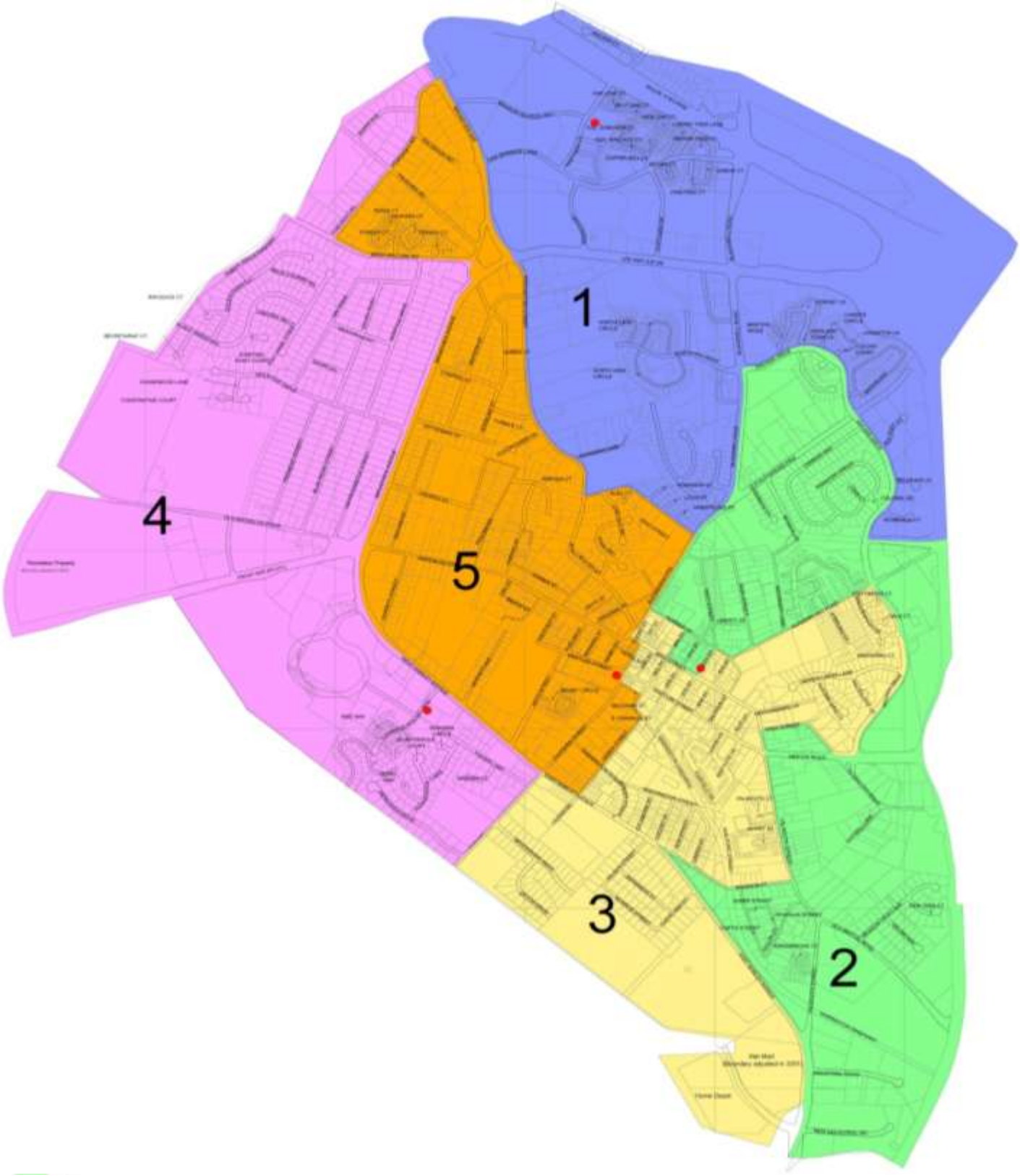
~ APPOINTED OFFICIALS ~

Town Manager
Brannon Godfrey

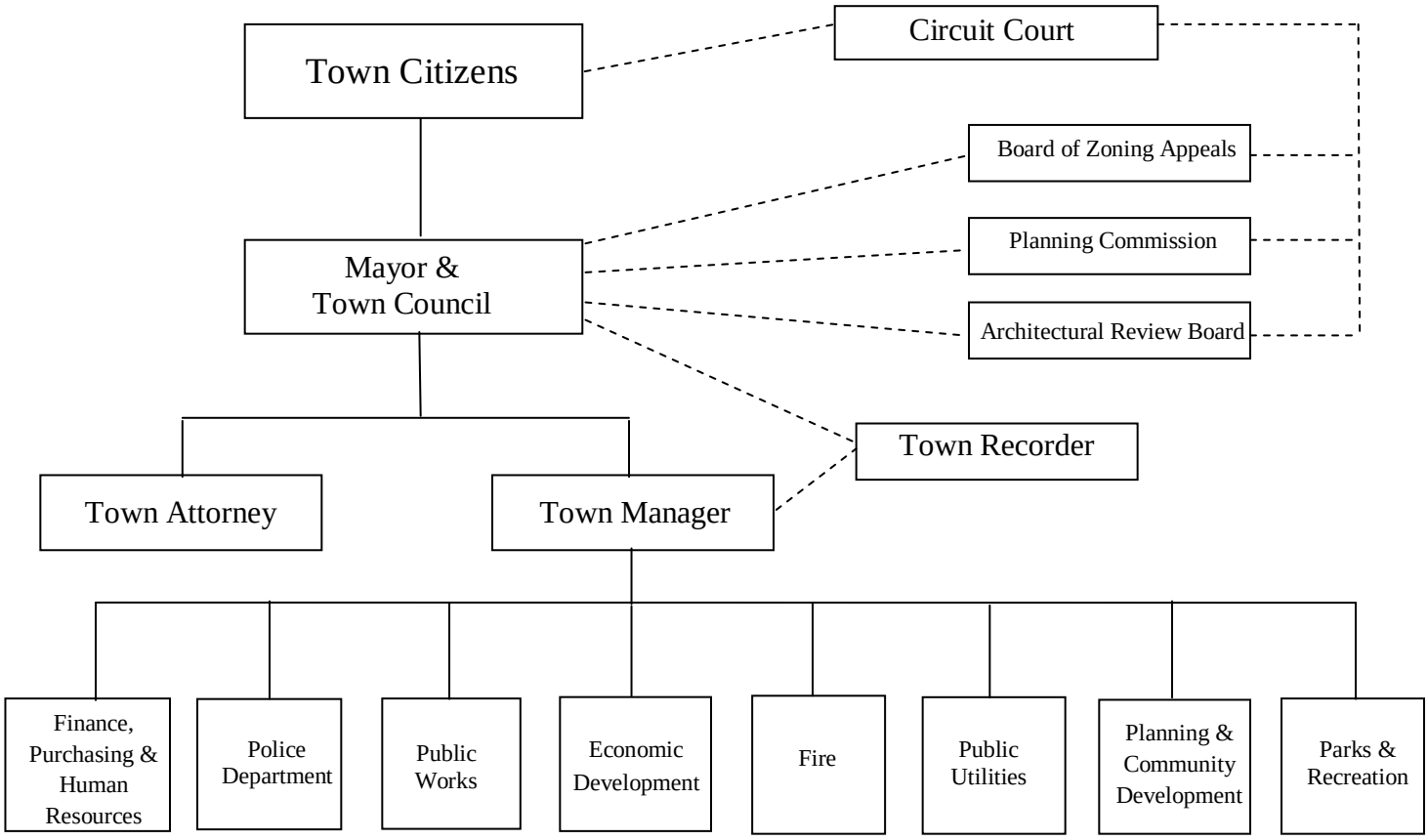
Town Attorney
Whitson W. Robinson

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

Enterprise Funds
Water & Sewer Operating Fund - accounts for all revenues and expenses related to water production, distribution and sewage treatment. This is a new fund for FY 2017. Previously, operating and capital were combined in one fund.
Water & Sewer Capital Fund – accounts for all capital outlay and improvements for the water and sewer utility function. This is a new fund for FY 2017. Previously, operating and capital were combined in one fund.

Internal Service Funds
Motor Pool – accounts for all expenditures for repair and maintenance of Town vehicles and motorized equipment.
Information Technology – accounts for all expenditures related to information technology needs of Town departments.

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

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. Functional expenditures accounted for in the General Fund include general government administration, public safety, public works, health and welfare, parks and recreation, culture, and community development.

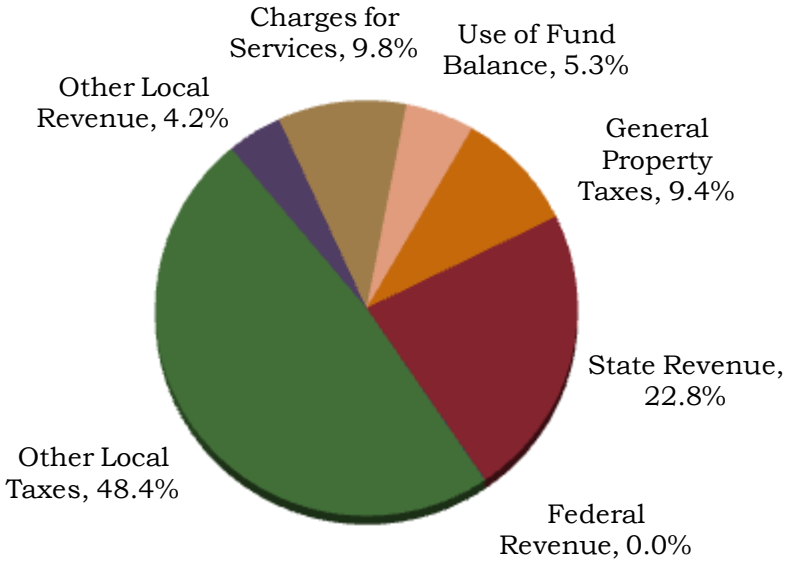
SUMMARY OF GENERAL FUND BUDGET
FOR PROPOSED AND LAST FISCAL YEAR

	FY 2016		FY 2017
REVENUE	ADOPTED	AMENDED	PROPOSED
General Property Taxes	$ 683,100	$ 683,100	$ 1,229,450
Other Local Taxes	6,012,000	6,012,000	6,332,200
Licenses, Permits & Fees	137,530	137,530	187,100
Fines & Forfeitures	190,000	190,000	180,000
Revenue from Use of Money/Property	21,900	21,900	22,500
Charges for Services	1,405,538	1,405,538	1,286,588
Miscellaneous Revenue	171,350	171,350	165,100
Non-Categorical Aid	620,100	620,100	680,100
Categorical Aid	2,222,084	2,222,084	2,296,183
Revenue from Federal Government	2,500	7,487	4,000
Use of Fund Balance	713,430	1,591,936	693,879
Total General Fund Revenue	**$ 12,179,532**	**$ 13,063,025**	**$ 13,077,100**
EXPENDITURES			
General Government	$ 1,192,007	$ 1,232,603	$ 1,081,661
Public Safety	3,455,626	3,775,926	3,717,343
Public Works	3,379,734	3,902,333	3,381,295
Parks and Recreation	1,987,381	1,987,381	2,070,086
Community Development	716,363	716,363	963,357
Contributions to outside agencies	169,111	169,111	201,437
Debt Service	725,106	725,106	636,590
Subtotal	$ 11,625,328	$ 12,508,823	$ 12,024,769
Transfers	554,202	554,202	1,052,331
Total General Fund Expenditures	**$ 12,179,532**	**$ 13,063,025**	**$ 13,077,100**

General Fund Revenue

The FY 2017 Proposed General Fund Budget includes $12,383,221 in current year revenue, an increase of $917,119, or 8.0%, from the FY 2016 Adopted Budget. The largest increase is in General Property taxes, owing to the proposed increase in the real estate tax rate from $0.015 to $0.05. 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 48.4%. This category is projected to increase by $320,200 over FY 2016. This category includes Meals Tax, Sales Tax, Business, Professional and Occupational License (BPOL) Tax, Lodging Tax, Cigarette Tax, Bank Franchise Tax, Vehicle License Tax and Consumer Utility Tax. Additionally, the proposed budget includes the use of $693,879 of fund balance. This is a decrease of 2.7% from prior year adopted budget. Total Revenue of $13,077,100 for the General Fund represents an increase of $897,568 compared to the FY 2016 Adopted Budget. The following chart shows the percentage of General Fund Revenue by source.

FY 2017 General Fund Revenue by Source
$13,077,100



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

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Local Revenue					
General Property Taxes	$589,341	$675,312	$683,100	$1,229,450	$546,350
Other Local Taxes	6,214,105	6,134,279	6,012,000	6,332,200	320,200
Permits & Other Licenses	127,421	202,676	137,530	187,100	49,570
Fines & Forfeitures	259,464	185,186	190,000	180,000	(10,000)
Use of Money & Property	21,068	20,767	21,900	22,500	600
Charges for Services	0	0	1,475,538	1,286,588	(118,950)
Miscellaneous	91,008	107,919	171,350	165,600	(6,250)
Total Local Revenue	**$7,302,407**	**$7,326,139**	**$8,621,418**	**$9,402,938**	**$781,520**
State Revenue	$2,991,893	$2,991,187	$2,842,184	$2,976,283	$134,099
Federal Revenue	48,931	1,989	2,500	4,000	1,500
Total State & Federal Revenue	**$3,040,824**	**$2,993,176**	**$2,844,684**	**$2,980,283**	**$135,599**
Subtotal - Current Revenue	**$10,343,231**	**$10,319,315**	**$11,466,102**	**$12,383,221**	**$917,119**
Use of Fund Balance	$0	$0	$713,430	$693,879	($19,551)
Total General Fund Revenue	**$10,343,231**	**$10,319,315**	**$12,179,532**	**$13,077,100**	**$897,568**

General Property Taxes

General property taxes are estimated to be $1,229,450 and account for 9.4% of general fund revenue in FY 2017. The Town's Real Estate tax rate has been $0.015 since 2006, one of the lowest in the Commonwealth. In an effort to produce a more equitable and stable tax base, the Town Manager is proposing a real estate tax rate of $0.05. Real estate is billed twice a year. The rate would be implemented for tax bills that are due on December 15, 2016. In projecting real estate property tax revenues, the Town relies on assessed value projections prepared by Fauquier County that uses the following factors in determining property values:

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

In projecting personal property tax revenues, the Town adds prior years' total assessments and factors in current year estimates based upon historical trends. Since tax year 2007, the Town has received a fixed lump sum payment from the Commonwealth of $718,492 in accordance with the Personal Property Tax Relief Act. This enables the Town to continue to provide 100% personal property tax relief to the owners of qualified vehicles.

Fiscal Year 2017 Proposed Property Tax Rates

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

Other Local Taxes

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

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Local Sales Taxes	$561,084	$595,653	$600,000	$640,000	$40,000
Consumer Utility Taxes	500,111	498,312	495,000	503,000	8,000
BPOL	1,915,325	1,657,723	1,700,400	1,742,800	42,400
Utility Consumption Taxes	75,646	72,151	65,600	71,600	6,000
Motor Vehicle Licenses	101,969	102,856	101,000	100,000	(1,000)
Bank Franchise Taxes	496,445	581,150	500,000	550,000	50,000
Meals Taxes	2,191,573	2,265,639	2,170,000	2,350,000	180,000
Cigarette Taxes	181,720	170,790	190,000	171,000	(19,000)
Transient Occupancy Taxes	190,232	190,005	190,000	203,800	13,800
Total Other Local Taxes	**$6,214,105**	**$6,134,279**	**$6,012,000**	**$6,332,200**	**$320,200**

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 projected changes in retail sales based on historical trends and projected revenue by the Commonwealth. We are projecting steady increases in revenue based on collection trends for the past twelve months. Estimated to total $640,000 in FY 2017, local sales tax revenue accounts for 4.8 % 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 3.8% of General Fund revenues. Tax rates are shown in the following tables.

Electric Consumer Utility Tax

Class	Rate
Residential	20% of the minimum monthly charge imposed plus $0.0158865 for each kilowatt-hour delivered. Maximum monthly tax is $3.00.
Commercial / Industrial	20% of the minimum monthly charge imposed plus $0.015009 for each kilowatt-hour delivered. Maximum monthly tax is $20.00.

Natural Gas Utility Tax

Class	Rate
Residential	20% of the minimum monthly charge imposed plus $0.186 for each CCF delivered. Maximum monthly tax is $3.00.
Commercial / Industrial	20% of the minimum monthly charge imposed plus $0.15566 for each CCF delivered. Maximum monthly tax is $20.00.

Business, Professional and Occupational License (BPOL) Tax - The Town requires every business located within the corporate limits to pay an annual license tax based upon their prior calendar year gross receipts. Businesses are taxed at varying rates based on classifications developed by the State. There is no proposed change in the rates included in the proposed 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 $1,742,800, this is the second largest local revenue source for the General Fund and represents 13.3% of total revenue for the 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 $71,600 for FY 2017, 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 0.7% 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 proposed budget accounts for 4.2% 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 18.0% 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 proposed budget assumes an 8.2% increase compared to the FY 2016 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 1.3% of the proposed 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. The Town is hopeful that a revitalization of Old Town and focus on improving tourism in the area will result in increased revenues in this category. Transient occupancy tax 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. Staff will revisit the fee structure during FY 2017 to determine whether adjustments to the fees are necessary. Total revenues in this category have been adjusted according to estimates of zoning and building activity, and represent 1.4% 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 1.4% of the General Fund budget. Court Fines & Forfeitures are traffic, civil and criminal fines received from the Juvenile & Domestic Relations, General District and Circuit Courts. Parking Fines are those assessed by the Town Police Department and collected by the Town.

In 2015, the Town Council passed a resolution authorizing the addition of the E-summons fee to tickets written in the Town. This $5.00 charge is added to tickets written within the Town limits and is remitted to the Town on a monthly basis. The annual revenue estimate for this fee is $10,000.

Use of Money & Property

Interest and investment revenue fluctuates with the general economy and the level of the Town's cash balance. The $1,100 increase in this line reflects recent modest increases in interest rates and increases in rental income due to rate renewals. This category represents 0.1% of General Fund revenue.

Charges for Services

Revenue in this category includes rentals of pavilions and fields at various parks, which is anticipated to rise slightly. Overall revenue for the Warrenton Aquatic and Recreation Facility (WARF) is projected to be $118,950 less than the estimate for FY 2016. Staff will review rates and fees during this fiscal year. This category represents 9.8% of General Fund revenue for FY 2017.

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 1.3% of total General Fund revenue estimates for FY 2017.

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. Non-categorical aid represents 5.2% of the General Fund budget and is shown by category below.

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Motor Vehicle Rental Tax	$95,712	$106,003	$90,000	$90,000	$0
Rolling Stock Tax	132	50	100	100	0
Communications Sales Tax	496,014	583,021	530,000	590,000	60,000
Total Non-Categorical Aid	**$591,858**	**$689,074**	**$620,100**	**$680,100**	**$60,000**

Categorical Aid - This revenue category reflects grants and reimbursements from the Commonwealth that are to be expended by the locality for specific programs. Dollar amounts in this category vary from year to year based upon program availability and established reimbursement rates. Estimates in all categories are based on preliminary estimates from the Commonwealth with the exception of street and highway maintenance, which is based on an actual per mile reimbursement rate for Town maintained arterial and collector streets and will rise slightly for FY 2017. The Town anticipates other Categorical items to remain fairly level compared to FY 2016. 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, which accounts for 17.5% of the General Fund budget.

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
VDOT Street & Highway Maintenance	$1,275,601	$1,313,625	$1,275,092	$1,346,679	$71,587
PPTRA Revenue	718,492	718,492	718,492	718,492	0
VDFP Aid to Localities	0	59,314	25,000	25,000	0
DCJP Section 599 Funds	197,512	197,512	195,000	197,512	2,512
Local Law Block Grant	0	3,325	0	0	
VCA Local Government Challenge Grant	5,000	5,000	5,000	5,000	0
Litter Control Grant	3,659	3,654	3,000	3,500	500
State Asset Forfeiture Proceeds	346	1,191	500	0	(500)
Total Categorical Aid	**$2,200,610**	**$2,302,113**	**$2,222,084**	**$2,296,183**	**$74,099**

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 2017 fiscal year.

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

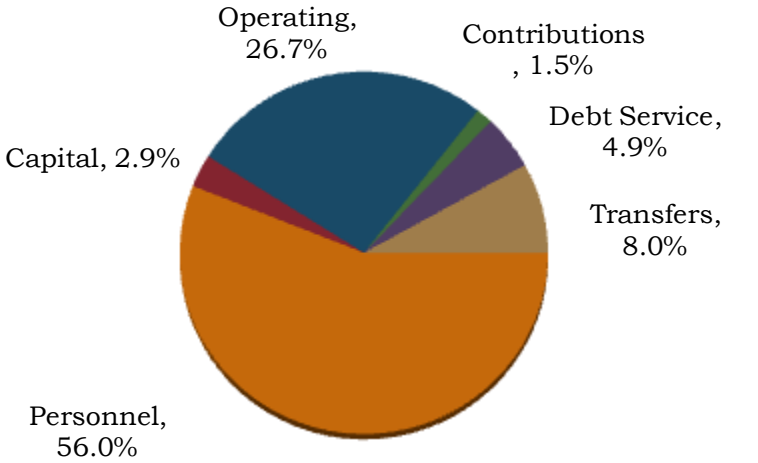
Use of Fund Balance

The estimated deficiency of revenues over expenditures necessitates the use of fund balance in the amount of $693,879 to balance the FY 2017 budget for the General Fund. This represents 5.3% of the total for the General Fund.

General Fund Expenditures

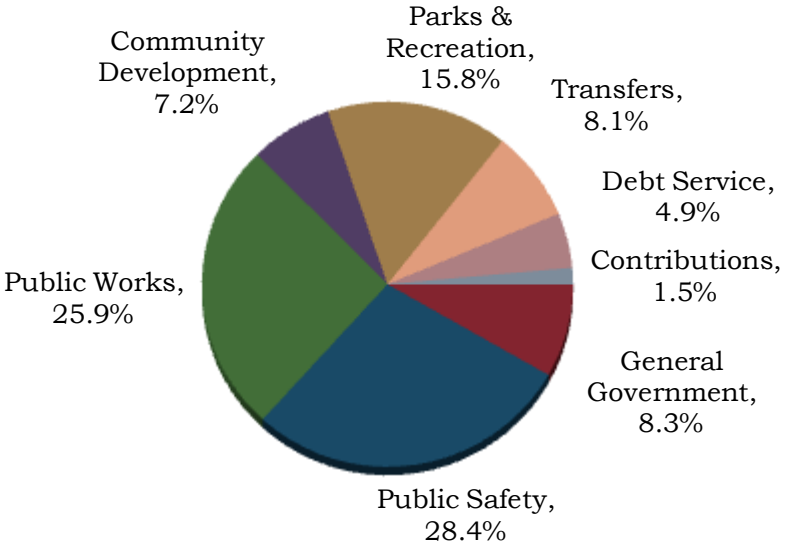
The following chart illustrates general fund expenditures by category.

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 proposed budget represents $1,081,661, or 8.2%, of the general fund.

Budget Summary

Department	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Legislative	$152,005	$173,824	$330,624	$160,122	($170,502)
Executive	196,599	196,778	208,852	211,261	2,409
Legal Services	171,236	154,318	162,451	187,376	24,925
Finance & Human Resources	446,772	443,405	470,502	513,979	43,477
Other Organizations	7,764	7,549	8,579	8,923	344
Elections	8,299	0	11,000	0	(11,000)
Total	**$982,675**	**$975,874**	**$1,192,008**	**$1,081,661**	**($110,347)**

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 consists of a seven-member elected Town Council, the Mayor and an appointed Town Recorder, who serves on a part-time basis.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$111,178	$100,065	$278,187	$101,941	($176,246)
Operating	40,827	68,025	52,437	58,181	5,744
Capital	0	5,734	0	0	0
Total	**$152,005**	**$173,824**	**$330,624**	**$160,122**	**($170,502)**

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 total proposed budget for Town Council is $160,122, a decrease of $170,502 from the prior fiscal year's adopted budget. In FY 2016, the effect of the implementation of a personnel classification and compensation study was included in this department's personnel line so that the full impact of the study on the general fund was apparent. The operating category increase of $5,744 largely results from increases in amounts budgeted for travel and training, and public relations expenditures.

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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$180,092	$180,034	$187,227	$190,134	$2,907
Operating	16,507	16,744	21,625	21,127	(498)
Capital	0	0	0	0	0
Total	**$196,599**	**$196,778**	**$208,852**	**$211,261**	**$2,409**
Staffing Summary					
Full-time	1.5	1.5	1.5	1.5	0

Budget Request / Analysis

The FY 2017 budget request is stable in comparison to the prior year adopted budget.

Legal Services

Program Description

The line of authority for the Town Attorney and other related legal assistance for the Town of Warrenton is outlined in the Town Code. The attorney is an employee of the Council, serving at Council's discretion.

The Town Attorney advises Council and the Town staff on a wide range of legal issues that arise in the conduct of Town business. The Town Attorney handles police matters, including representing the Town in municipal court twice a month. The Town Attorney also works with the Planning Commission, Architectural Review Board and Board of Zoning Appeals as needed.

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

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$10,663	$12,197	$15,861	$16,477	$616
Operating	160,573	142,121	146,590	170,899	24,309
Capital	0	0	0	0	0
Total	**$171,236**	**$154,318**	**$162,451**	**$187,376**	**$24,925**

Budget Request / Analysis

The budget request for FY 2017 represents a 15.3% increase over the FY 2016 Adopted Budget. The increase is primarily attributable to a $20,000 increase in Professional Services – Outside Counsel.

The Town Attorney is provided an annual stipend of $2,400 plus health insurance 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$364,336	$350,634	$368,439	$385,101	$16,662
Operating	82,436	92,771	99,563	126,878	27,315
Capital	0	0	2,500	0	(2,500)
Total	**$446,772**	**$443,405**	**$470,502**	**$511,979**	**$41,477**
Staffing Summary					
Full-time	8.5	8.5	8.5	8.5	0

Budget Request / Analysis

The budget request for FY 2017 reflects an increase of $41,477, or 8.8% over the FY 2016 budget. The $16,662 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 largest increase in the operating category is in bank service charges. Amounts associated with the WARF's account were previously budgeted for in the Recreation Enterprise Fund. This fund was dissolved as part of the FY 2016 budget process. This adds $20,000 in estimated bank service charges to this department.

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.

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

Budget Summary

Organization	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Virginia Municipal League	$5,989	$6,024	$6,054	$6,198	$144
Virginia Institute of Government	500	500	500	500	0
Greater Warrenton Chamber of Commerce	0	0	1,000	1,200	200
Fauquier Chamber of Commerce	1,275	1,025	1,025	1,025	0
Total	**$7,764**	**$7,549**	**$8,579**	**$8,923**	**$344**

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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$3,987	$0	$4,600	$0	($4,600)
Operating	4,312	0	6,400	0	(6,400)
Capital	0	0	0	0	0
Total	**$8,299**	**$0**	**$11,000**	**$0**	**($11,000)**

Budget Request / Analysis

There are no elections scheduled during FY 2017. The next election cycle will be in FY 2018 for the Mayor and the two At-large Council Members.

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 2017 are $3,717,343 and represent 28.5% of the total General Fund operating budget, the largest portion of the budget.

Department	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Police Department	$2,401,860	$2,620,585	$2,961,212	$3,136,296	$175,084
Fire & Rescue	157,236	207,999	192,568	265,350	72,782
Inspections	244,816	256,238	301,846	315,697	13,851
Total	**$2,803,912**	**$3,084,822**	**$3,455,626**	**$3,717,343**	**$261,717**

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

Police Department

Program Description

The Police Department provides law enforcement, public safety services, crime prevention, and Neighborhood Watch. Working closely with Town businesses and citizens, the Department's objective is to prevent and/or reduce crimes through a community oriented policing concept. The Department delivers services to businesses and citizens through interaction and community involvement.

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

During 2016, the Department made 4,515 arrests to include: 1,767 traffic citations, 1,488 parking tickets, 939 written warnings and 321 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$1,920,340	$2,123,932	$2,364,643	$2,544,273	$179,630
Operating	447,532	455,828	564,882	567,523	2,641
Capital	33,988	40,825	31,687	24,500	(7,187)
Total	**$2,401,860**	**$2,620,585**	**$2,961,212**	**$3,136,296**	**$175,084**
Staffing Summary					
Full-time	26.0	26.0	26.0	27.5	1.5
Part-time	3.0	3.0	3.0	3.0	0

Budget Summary / Analysis

Personnel changes in the FY 2017 budget include the addition of two full-time police officers. One of the positions is funded beginning July 1st, with the second position funded starting on January 1st. The total impact is $101,088, including benefits. The remaining increase is attributable to anticipated merit increases for employees and increases in health insurance expenditures.

The operating category includes continued 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 $3,978 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 Mobile Data Terminal (MDT) units, and in-car printers for issuing summons.

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 provide for the safety of the citizens of the Town of Warrenton
- To enforce the law in a fair and impartial manner
- To facilitate the flow of vehicular and pedestrian traffic in a safe and expeditious manner
- To engage and interact with all sectors of the community
- To implement the Project Lifesaver initiative
- To implement the Alzheimer's, Autism, and PTSD Awareness Programs
- To build on our Community Church Coalition
- To continue to handle calls for service in a timely, courteous and professional manner, as well as provide personal service on all calls
- To utilize the Motor Program and Directed Patrols to enhance traffic safety
- To increase officer safety by keeping shifts staffed adequately and Department fully staffed
- To maintain State Certification for our Officers by conducting our own State mandated training
- To continue to expand the Department's RMS and MDT systems

Fire & Rescue Services

Program Description

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

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$95,292	$86,018	$59,458	$130,830	$71,372
Operating	61,944	121,981	133,110	134,520	1,410
Capital	0	0	0	0	0
Total	**$157,236**	**$207,999**	**$192,568**	**$265,350**	**$72,782**
Staffing Summary					
Full-time	1.0	1.0	1.0	2.0	1.0

Budget Request / Analysis

The Town has historically funded one full-time paid firefighter. During the FY 2016 budget process, an application for a SAFER grant was submitted to fund a second firefighter. In the Fall of 2015, the Town was notified that the grant application was denied. In December 2015, the Town funded the second position. The increase in personnel expenditures results from the addition of that position and the impact of merit raises.

The operating category shows a modest increase for apparel and materials and supplies.

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 proposed 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 are 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$212,810	$237,639	$265,338	$285,334	$19,996
Operating	32,006	18,599	36,508	30,363	(6,145)
Capital	0	0	0	0	0
Total	**$244,816**	**$256,238**	**$301,846**	**$315,697**	**$13,851**
Staffing Summary					
Full-time	3.25	3.25	3.5	3.5	0.0

Budget Request / Analysis

The FY 2017 budget for this department is relatively flat. The increase in the personnel category is due to increased hours worked by the part-time Permit Technicians and the impact of projected merit increases.

In 2015, there were 2,298 inspections, which is an increase of 36.2% from 2014. 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 2017. 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 completion and build out of tenant units of an office and retail building on Alexandria Pike. Construction of a climate-controlled mini storage facility was started on Holiday Court. Little residential development has been presented with only a handful of new dwellings permitted. The Madison Square townhouses have been completed. Continuing projects include the final site work for duplex units at Sterling Court and the infilling of subdivisions that were previously approved.

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 divisions are funded through the Town's General Fund. The arterial and collector budgets with a portion of the street budget are funded through annual road maintenance payments from the Virginia Department of Transportation (VDOT), which are estimated to total approximately $1,346,679 in FY 2017.

The proposed budget for FY 2017 for the Public Works function totals $3,381,295 which is an increase of $1,562 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Administration	$472,279	$499,233	$549,401	$548,872	($529)
Streets (including Arterial & Collector)	1,450,973	1,712,384	1,790,071	1,775,773	(14,298)
Refuse / Recycling	533,080	557,340	625,929	612,345	(13,584)
General Properties	240,715	243,780	288,075	303,617	15,542
Cemetery Maintenance	100,158	117,114	126,258	140,688	14,430
Total	**$2,797,205**	**$3,129,851**	**$3,379,734**	**$3,381,295**	**$1,561**

Public Works Administration

Program Description

The Administrative Division is responsible for all Public Works functions and services, the development and management of the operational budget, departmental personnel management, development of short and long range maintenance and capital improvement programs, management of the vehicle and equipment maintenance and replacement programs, the enforcement of the Town's Storm Water Management Program, maintenance of streets, street lights and traffic signals, and for the review and approval of site development plans.

The budget supports all costs associated with day-to-day operation and management of the Public Works Department and its varied functions. Expenses within the budget support a wide range of public works functions such as daily citizen contacts, project development and oversight, personnel and financial administration and departmental planning that are needed to maintain the current high level of service for FY 2017.

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

Public Works coordinates with Community Development in the permitting of development projects under the Virginia Stormwater Management Permit (VSMP) program. The Town is currently in the third year of its Municipal Small Storm Sewer System (MS4) permit under the Virginia Department of Environmental Quality (DEQ). The FY 2017 proposed budget covers year four of the permit and will involve the continued development of a Total Maximum Daily Limit (TMDL) Action Plan. In addition staff will continued development of best management programs (BMP) for implementation over the next 5-15 years to insure compliance with a higher level of DEQ and EPA Stormwater regulations.

Staffing

The Administration Division is staffed by a Director, an Assistant Director, the Public Works Superintendent and two Administrative Assistants. The Director also serves as Director of Public Utilities; 25% of that position's salary is allocated to this department and the remaining 75% is allocated to the Public Utilities budget. Similarly, the Assistant Director serves as Assistant Director of Public Utilities; 80% of that position's salary is allocated to this department with the remaining 20% allocated to the Public Utilities budget. Thirty-five percent of the Chief Automotive Mechanic's salary is charged to the Public Works Administration budget. The proposed budget includes a part-time MS4/Stormwater program manager. This position may need to be reclassified as a full-time position in future budget requests to cover the growing regulatory requirements.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$416,625	$457,617	$482,948	$455,519	($27,429)
Operating	55,654	40,441	66,453	89,428	22,975
Capital	0	1,175	0	3,925	3,925
Total	**$472,279**	**$499,233**	**$549,401**	**$548,872**	**($529)**
Staffing Summary					
Full-time	4.4	4.4	4.9	4.9	0

Budget Request / Analysis

The proposed FY 2017 administration budget for the Public Works Administration Division reflects a decrease of $529, which is mostly due to changes in personnel. The increase in professional services line of $20,000 funds miscellaneous surveying costs, property appraisals, easement plats, and technical assistance for Public Works related projects, consulting services of a certified arborist and energy conservation. Staff will need additional help in developing a master plan for the town shop complex to address stormwater runoff and MS4 compliance for municipal housekeeping items. This increase is offset by a decrease in personnel costs. 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 four dedicated vehicles and one pool vehicle for use by the other sections and staff.

Street Maintenance

Program Description

The Street Maintenance Division is responsible for all maintenance and repair activities associated with the 93.47 lane miles of public roads and 15.5 miles of storm sewer within the corporate limits. This section of the Public Works budget appropriates funds used for snow removal, street cleaning, litter control, routine maintenance, repair work, small construction projects and grass cutting functions along the Town's public roadways and rights of way. The Virginia Department of Transportation provides reimbursement, which is accounted for in the categorical aid revenue section of this report, for the maintenance of both Arterial and Collector streets.

Staffing

The Street Maintenance Division 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$ 612,976	$ 673,110	$ 688,199	$642,466	($45,733)
Operating	418,130	246,230	307,536	286,213	(21,323)
Capital	9,610	13,108	0	10,500	10,500
Total	**$ 1,040,716**	**$ 932,448**	**$ 995,735**	**$939,179**	**($56,556)**
Staffing Summary					
Full-time	16.0	16.0	16.0	16.0	0

Budget Request / Analysis

The FY 2017 street budget reflects a decrease of $56,556 compared to the prior year budget, largely owing to changes in health insurance elections, worker's compensation insurance, decreases in retirement expense, and increases in the amount of wages allocated to the arterial and collector departments. 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 $204,013 has been estimated for the FY 2017 requirements of the motor pool function.

The equipment to be purchased during FY 2017 is a zero-turn mower.

Arterial Street Maintenance

Program Description

The costs associated with the maintenance activities of the 30.39 major street and highway lane miles within the corporate limits are grouped under this budget. Arterial Streets are the most significant roads in the area, serving the major centers of activity, constitute the highest traffic volume corridor and carry the major portion of through traffic in urban areas. The roads that are designated as arterial streets under the Federal Highway System are U.S. 17, U.S. 29 Business, U.S. 211, and U.S. 15 Business.

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$102,081	$114,210	$101,192	$120,568	$19,376
Operating	82,027	142,477	148,800	158,300	9,500
Capital	20,165	246,765	157,000	157,000	0
Total	**$204,273**	**$503,452**	**$406,992**	**$435,868**	**$28,876**

Budget Request / Analysis

The personnel charges for Arterial and Collector Street budgets are allocated from the main Street Maintenance division budget. This increase in the personnel category reflects an increase in the allocation to this division of 18%, based on actual prior year expenditures.

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. East-bound Lee Highway is scheduled for resurfacing, along with Old Alexandria Pike into Old Town.

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

Collector Street Maintenance

Program Description

The Collector Street Maintenance Division budget provides funding for maintenance of the less traveled streets of the Town, as defined by the Virginia Department of Transportation. The Town has 63.08 lane miles of Collector streets. Collector streets provide land access service and traffic circulation within residential, commercial and industrial areas. The collector streets system facilitates traffic flows within the town and provides access to the arterial system, which are the main highway streets through and serving the town.

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

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$75,234	$85,573	$85,044	$90,426	$5,382
Operating	110,996	174,885	166,800	169,800	3,000
Capital	19,754	16,026	135,500	140,500	5,000
Total	**$205,984**	**$276,484**	**$387,344**	**$400,726**	**$13,382**

Budget Request / Analysis

The FY 2017 Collector Street Division proposed budget is an increase of $13,382 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 division will increase crack sealing on a number of streets to slow deterioration for extended pavement life, with a focus on subdivisions built in the 2005 to 2008 time frame.

In addition to the street paving, the budget covers the spot replacement of damaged/deteriorated curbs/gutters and sidewalks at various locations around Town at a maintenance level. Included in the budget under the payments on contracts line item are funds for centerline & parking striping ($6,000) and contract snow removal ($9,500) which the department uses to supplement the town resources as recent year weather patterns have delivered more frequent and heavy snow events. There is $4,000 budgeted for tree maintenance. It is not anticipated that any new streets

will be added to the inventory for the fiscal year due to the timing of the residential developments that are currently still 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 division is staffed by six full-time employees, whose time is allocated to the refuse and recycling departments based on an 80/20 split.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$298,290	$320,828	$332,118	$334,513	$2,395
Operating	86,161	90,702	144,862	120,553	(24,309)
Capital	0	0	0	0	0
Total	**$384,451**	**$411,530**	**$476,980**	**$455,067**	**($21,914)**
Staffing Summary					
Full-time	4.8	4.8	4.8	4.8	0

Budget Request / Analysis

The FY 2017 budget is a decrease of $21,914 compared to the FY 2016 adopted budget. The decrease is largely to a reduction in programming of potential changes in Fauquier County Landfill operations that may impact the Town. The current year budget included an amount of $72,000 in this category; for FY 2017, this amount has been lowered to $25,000.

Every resident continues to receive a year's supply of trash bags at no cost which can be picked up at the Visitor Center which is centrally located, provides better parking than the Public Works facility, and is open seven days a week. Citizens are able to buy additional boxes of bags from Town Hall. The Town's waste stream has only grown slightly over the past twelve months with the current economy and housing market, but is projected to remain around 4,000 tons in 2016. In calendar year 2015, a total of 3,741 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. Repair expenditures for this department were higher than in past years, so the allocation is greater for FY 2017.

Recycling Program

Program Description

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

The Town's goal relating to the recycling program is to meet the mandated rates for the community, as established by the Commonwealth of Virginia, and to provide a service to the public that protects the environment and reduces tonnage of waste going to the county landfill.

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$94,960	$102,206	$101,584	$108,918	$7,334
Operating	53,669	43,604	47,365	48,360	995
Capital	0	0	0	0	0
Total	**$148,629**	**$145,810**	**$148,949**	**$157,278**	**$8,329**
Staffing Summary					
Full-time	1.2	1.2	1.2	1.2	0

Budget Request / Analysis

The FY 2017 budget of $157,278 for recycling collection is an increase of $8,329 compared to the FY 2016 budget. The increase in the personnel category reflects the impact of anticipated merit increases.

Staff continues to stress recycling to individual citizens and businesses. The Town's recycling numbers are currently incorporated with Fauquier County's for a combined rate of 40% during 2015. Staff will continue to make a concerted effort to encourage local business involvement in the recycling program and to provide more accurate accounting of the recycling volume derived from large businesses. Every ton recycled is one less ton sent to a landfill, reducing the cost of landfill operations and extending its capacity.

Town staff collects newspapers and cardboard weekly along with co-mingled recycling in blue bags set at curbside. The costs have 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 2017 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 division is responsible for the maintenance, repair and custodial functions for Town owned or occupied buildings and grounds. The buildings included are Town Hall, the Public Works Facility, Public Safety Facility, the 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 Parks and Recreation departmental budget, or the two rental houses, which are included in the Water and Sewer Operating Fund budget.

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

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$54,534	$61,369	$53,754	$66,104	$12,350
Operating	174,159	182,411	234,321	227,014	(7,307)
Capital	12,022	0	0	10,500	10,500
Total	**$240,715**	**$243,780**	**$288,075**	**$303,617**	**$15,543**
Staffing Summary					
Full-time	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 proposed FY 2017 budget of $303,617 is an increase of $15,543 compared to the FY 2016 budget. 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 division is staffed by two full-time employees. Activities are supplemented as needed by other Public Works staff.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$84,260	$93,878	$100,250	$97,837	($2,413)
Operating	15,898	15,916	21,008	29,351	8,343
Capital	0	7,320	5,000	13,500	8,500
Total	**$100,158**	**$117,114**	**$126,258**	**$140,688**	**$14,430**
Staffing Summary					
Full-time	2.0	2.0	2.0	2.0	0

Budget Request / Analysis

The FY 2017 budget request is an increase of $14,430 compared to the prior fiscal year. The decrease in the personnel category reflects anticipated merit increases offset by changes in employee health insurance elections.

The Town has come to the end of generating revenue from the sale of lots. Thirty (30) 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 forty-eight (48) burials were performed last year, which generated $18,750 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. During FY 2017, the division will purchase a new mower in response to citizen requests for smaller equipment in order to more effectively fit in between the headstones.

PARKS AND RECREATION

Function Overview

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

Budget Summary

Department	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Parks & Recreation:					
Fields Maintenance	$15,874	$18,494	$36,180	$37,290	$1,110
Aquatic Center	1,447,055	1,499,406	1,673,655	1,700,384	26,729
Parks Maintenance	60,862	61,816	158,895	210,997	52,102
Administration	97,767	118,694	118,652	121,415	2,763
Total Parks and Recreation	**$1,621,559**	**$1,698,410**	**$1,987,382**	**$2,070,086**	**$82,704**

The Parks and Recreation function accounts for 15.8% of the total General Fund budget. Detailed descriptions of the proposed 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Operating	$15,874	$18,494	$36,180	$37,290	$1,110
Capital	0	0	0	0	0
Total	**$15,874**	**$18,494**	**$36,180**	**$37,290**	**$1,110**

Budget Request / Analysis

The proposed FY 2017 budget for Fields Maintenance reflects a slight increase of $1,110, mostly for increased repair expense and equipment lease charges. 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. The 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 and Recreation function has five full-time staff members. Two of those positions are reclassified from part-time to full-time this year, with one charged here and one allocated 50% to this budget and 50% to the Parks Maintenance budget. A percentage of three administrative salaries are allocated to this function to reflect the level of effort required to support activities for the Aquatic Center. The majority of the Aquatic Center staff is part-time, limited to working no more than 29 hours per week.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$842,936	$862,355	$963,164	$985,507	$22,343
Operating	598,884	637,051	690,491	699,577	9,086
Capital	5,235	0	20,000	15,300	(4,700)
Total	**$1,461,427**	**$1,499,406**	**$1,673,655**	**$1,700,384**	**$26,729**
Staffing Summary					
Full-time	2.25	2.25	2.25	3.75	1.5
Part-time	95.0	95.0	95.0	95.0	0

Budget Request / Analysis

The FY 2017 budget is $1,700,383, which is an increase of $26,728 compared to the FY 2016 budget. The increase in the personnel category reflects the move from part-time to full-time of an Aquatics Coordinator position, plus 50% of the expense for an upgrade from part-time to full-time for a Marketing Coordinator (the other 50% is allocated to the Parks budget). The department relies heavily on part-time staff, and experiences a high turn-over rate in this area.

The Operating category reflects an increase of $9,086. For FY 2017, bank service charges have been relocated from this department's budget to the Department of Finance, resulting in a $20,000 decrease. Information technology charges, which are allocated to using departments based on the number of users, have increased for this function by $4,797 for FY 2017. The budgets for electricity and gas have increased by $10,000 and $4,500 respectively, reflecting historical costs and anticipated demands.

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 is been staffed by one full-time, one part-time and one seasonal part-time employee to maintain the appearance and safety of all Town parks. Public Works has provided labor for special projects or in the absence of Parks and Recreation personnel.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$23,467	$24,454	$68,819	$97,572	$28,753
Operating	37,395	37,362	90,076	107,425	17,349
Capital	0	0	0	6,000	6,000
Total	**$60,862**	**$61,816**	**$158,895**	**$210,997**	**$52,102**
Staffing Summary					
Full-time	1.0	1.0	1.0	1.0	0
Part-time	1.5	1.5	1.5	1.5	0

Budget Request / Analysis

The Parks budget for FY 2017 of $249,731 is an increase of $52,102 compared to the FY 2016 adopted budget. The full-time Marketing Coordinator position that is added this year is allocated 50% to the Aquatic Center budget and 50% to this department. The balance of the increase in the personnel category is due to projected merit increases and part-time seasonal help. The operating category reflects an increase due to anticipated charges for maintenance contracts. The capital category reflects increases for replacement of playground equipment.

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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$77,129	$95,520	$97,750	$102,317	$4,567
Operating	20,638	23,174	20,902	19,098	($1,804)
Capital	0	0	0	0	0
Total	**$97,767**	**$118,694**	**$118,652**	**$121,415**	**$2,763**
Staffing Summary					
Full-time	0.9	0.9	0.9	0.9	0

Budget Request / Analysis

The proposed Administration budget for FY 2017 reflects a slight increase of $2,763 over the FY 2016 adopted budget. The increase in the personnel category is due to anticipated merit increases. The decrease in the operating category is due to the partial reallocation of general liability expense to the aquatic center budget.

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 the Economic Development Department.

Budget Summary

Department	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Planning & Zoning	$342,520	$338,702	$463,428	$658,655	$195,227
Visitors Center	71,386	74,679	88,366	92,102	3,736
Planning Commission	0	6,951	9,751	9,751	0
Architectural Review Board	1,296	243	1,500	1,500	0
Board of Zoning Appeals	1,097	2,840	500	500	0
Economic Development	0	39,251	152,818	173,849	21,031
Total	**$416,299**	**$462,666**	**$716,363**	**$936,537**	**$219,994**

The total budget for this function of $936,537 represents 7.2% of the proposed general fund budget. Detail for the proposed 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 three full-time personnel, a Director, a Senior Planner, and a Planner. Also included are 50% of the salaries of the Part-time Permit Technicians and 25% of the salaries of the Lead Building Official and the Senior Code Inspector.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$245,086	$243,443	$367,990	$384,877	$16,887
Operating	67,434	63,755	95,438	273,778	178,340
Capital	0	1,504	0	0	0
Total	**$312,520**	**$308,702**	**$463,428**	**$658,655**	**$195,227**
Staffing Summary					
Full-time	2.5	2.5	3.5	3.5	0
Part-time	0.5	0.5	1.0	1.0	0

Manager's Message:

The budget for FY 2017 is $658,655, which reflects an increase of $195,227, or 42.1% above FY 2016. The increase in the personnel category reflects anticipated merit increases.

The largest area of increase with regard to operating expenditures is the projected increase in professional services, owing to the update of the Comprehensive Plan, which will be largely conducted by consultants. This update is expected to span several fiscal years, so this represents the portion of the expenditure expected to be incurred during FY 2017.

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. For the second year, the Commission has requested a contribution from participating localities in support of their role as lead housing agency. The Town's contribution is $1,937.

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

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$54,224	$59,392	$66,901	$70,234	$3,333
Operating	17,162	15,287	21,465	21,868	403
Capital	0	0	0	0	0
Total	**$71,386**	**$74,679**	**$88,366**	**$92,102**	**$3,736**
Staffing Summary					
Part-time	3.0	3.0	3.0	3.0	0

Budget Request / Analysis

The FY 2017 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$0	$6,701	$7,751	$7,751	$0
Operating	0	250	2,000	2,000	0
Total	**$0**	**$6,951**	**$9,751**	**$9,751**	**$0**

Budget Request / Analysis

There is no change in the amount requested for the Planning Commission for FY 2017. 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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Operating	$1,097	$2,840	$500	$500	$0
Total	**$1,097**	**$2,840**	**$500**	**$500**	**$0**

There is no projected increase in the budget for the Board. The operating budget includes $500 for advertising expenditures.

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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Operating	$1,296	$243	$1,500	$1,500	$0
Total	**$1,296**	**$243**	**$1,500**	**$1,500**	**$0**

Budget Request / Analysis

There is no projected increase in the budget for the Architectural Review Board. The operating budget includes $500 for advertising expenditures and $1,000 for training.

Economic Development

Program Description

Established mid-way through Fiscal Year 2015, this department accounts for activities related to the promotion of economic development within the Town of Warrenton, in close partnership with the Department of Economic Development for the County of Fauquier. The department focuses on assisting existing businesses to thrive within the Town, to attract businesses to the Town in an effort to fill vacant storefronts, and to promote further economic development throughout the remaining areas in Town, in conjunction with the Town's Comprehensive Plan and the goals of the Town Council.

Staffing

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$0	$34,354	$108,551	$108,299	($252)
Operating	0	1,744	44,267	65,550	21,283
Capital	0	3,153	0	0	0
Total	**$0**	**$39,251**	**$152,818**	**$173,849**	**$21,031**
Staffing Summary					
Full-time	0	0	1.0	1.0	0

Budget Request / Analysis

The budget for FY 2017 for the Economic Development department reflects an increase of $21,031, or 13.8%. The personnel category reflects a small decrease due to employee health insurance elections offset by an anticipated merit increase.

The operating increase is mostly due to the addition of a Small Business Development Grant program in the amount of $25,000. This program will mirror and coincide with a similar program with Fauquier County.

CONTRIBUTIONS TO OUTSIDE AGENCIES

Program Description

Contributions to outside agencies support community organizations that provide health and welfare services, education, arts and cultural programs, entertainment and enrichment to the citizens of the Town.

Budget Summary

Agency	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Proposed	Change
Hospice Support of Fauquier	$1,000	$1,000	$1,000	$1,000	$0
Fauquier Community Food Bank	3,750	3,750	3,750	3,750	0
Fauquier Family Shelter	6,950	6,700	6,700	6,700	0
Fauquier Community Child Care	4,500	4,500	4,500	4,500	0
Fauquier Free Clinic	10,000	10,000	10,000	10,000	0
Piedmont Dispute Resolution Center	1,000	1,000	1,000	1,000	0
Circuit Rider	39,961	39,961	39,961	44,987	5,026
Circuit Rider – Vehicle Expenses	16,331	17,380	5,200	15,000	9,800
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	10,000	10,000	0
Families4Fauquier	0	0	2,000	2,000	0
Leadership Fauquier	0	0	3,000	3,000	0
Boys & Girls Club of Fauquier [1]	10,000	10,000	10,000	10,000	0
Piedmont Symphony Orchestra	0	1,000	1,000	1,000	0
Bluemont Concert Series	10,000	10,000	10,000	10,000	0
Fauquier Historical Society	10,000	10,000	10,000	10,000	0
Heritage Day	2,500	2,500	2,500	2,500	0
First Night Out	5,000	5,000	5,000	5,000	0
Main Street Program (formerly Partnership for Warrenton [2])	30,000	30,000	30,000	30,000	0
Warrenton Caboose [3]	1,000	1,000	1,000	1,000	0
Lord Fairfax Community College	0	0	7,500	25,000	17,500
Total	**$126,992**	**$128,791**	**$169,111**	**$201,437**	**$32,326**

Notes
1. *Until FY 2016, this amount was budgeted in the Recreation Enterprise Fund.*
2. *In prior years, funding for the Partnership was budgeted in the Planning & Zoning Department.*
3. *In prior years, funding for the Warrenton Caboose was budgeted in the Recreation Enterprise Fund.*

Budget Request / Analysis

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

Hospice Support of Fauquier

Hospice Support of Fauquier is a volunteer organization which provides non-medical, supportive care to terminally ill patients and their families. The organization requested a $2,000 contribution; the proposed 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 organization requested a $6,250 contribution; the proposed 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 organization requested $7,000; the proposed budgeted contribution is $4,500 for FY 2017.

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 agency has requested level funding of $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 2015 by VRT reflect the importance of this service in the community. The Town is proposing to fund the federally prescribed local match total of $59,987 by providing $44,987 in direct funding, and $15,000 of "in-kind" services necessary to fuel the bus. The in-kind figure is budgeted based on historical costs.

Literacy Volunteers of Fauquier County

The overarching goals of Literacy Volunteers of Fauquier County (LVFC) are to improve the reading, writing, basic communication, study and computer skills of adults in our community and to promote learning as a fundamental goal. LVFC provides these services at their headquarters in Warrenton, the Warrenton Library and at other cooperative sites throughout the County. They also provide one-on-one tutoring in reading, writing, and math skills as well as English as a Second Language (ESL). The organization requested level funding of $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 organization requested level funding of $2,000.

Rappahannock-Rapidan Medical Reserves

The Rappahannock-Rapidan Medical Reserve Corps is dedicated to ensuring hometown security through recruiting, pre-credentialing, training, organizing and utilizing volunteers to prepare for and respond to public health emergencies and to promote healthy living throughout the year. 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 organization requested level funding of $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 organization requested level funding of $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 2017. The organization requested level funding of $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 organization requested level funding of $3,000.

Boys & Girls Club of Fauquier

This contribution was previously reported in the Recreation Enterprise Fund. For the FY 2017 proposed 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 organization requested level funding of $10,000.

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 organization requested funding of $5,000; the proposed funding is $1,000.

Bluemont Concert Series

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

Fauquier Historical Society

The Fauquier Historical Society operates the Old Jail Museum, which is centrally located in the Town of Warrenton and open six days a week. The purpose of the organization is to preserve and maintain objects, documents and other memorabilia of historic interest

pertaining to the County of Fauquier, the Commonwealth of Virginia, or the United States. FHS has requested funding of $15,000; the proposed contribution is $10,000.

Warrenton-Fauquier Heritage Day

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

First Night Warrenton

Bluemont Concert Series requested level 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 2017 is $5,000. This amount includes the annual First Night Registration Fee.

Main Street Program

The Main Street Program function is provided by a community non-profit organization committed to building a Main Street District of thriving business, history, and social activities. The Program envisions a vibrant, beautified Old Town Warrenton with a focus on a dynamic, organized district of retail and restaurants that preserves and builds upon our historic character. Such vitality fosters opportunities for growth: economically, socially, and culturally. This vision supports and attracts businesses and visitors, and just as importantly, directly enhances the quality of life for the residents of our community. Support for the Program is recommended to continue at its historic funding level of $30,000. The non-profit organization will be required to provide quarterly reports of its activities to Council as well as an annual review of its finances by a Certified Public Accountant.

Warrenton Caboose

The Warrenton Greenway 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 provided $7,500 to fund two scholarships for one year for Town of Warrenton residents. The program consists of an academic scholarship and a work force scholarship. Lord Fairfax Community College has requested increased funding for the scholarship of

$12,500 and an additional $12,500 capital contribution towards the construction of the Hazel Academic Building at the Fauquier Campus.

DEBT SERVICE

Program Description

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

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Principal	$174,880	$176,679	$520,554	$448,000	($72,554)
Interest	5,455	3,656	204,262	188,290	(15,972)
Fiscal Charges	0	0	290	300	10
Total	**$180,335**	**$180,335**	**$725,106**	**$636,590**	**($88,516)**

Budget Request / Analysis

Debt service payments totaling $636,590 are budgeted for FY 2017, which is $88,516 less than FY 2016. The debt service is for 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 was in support of the Warrenton Police Department's Mobile Data Terminal Project. The final payment of $90,167 was made under the lease in FY 2016 which accounts for the change in the budgeted amount for this fiscal year.

The amounts budgeted for FY 2017 represent general obligation debt issued 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 $636,290 are budgeted for FY 2017. Service fees of $290 are also included.

TRANSFERS

Program Description

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

Budget Summary

Transfer to	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Capital Projects	$553,548	$297,160	$554,202	$1,052,331	$498,129
Recreation Fund	976,161	1,048,747	0	0	0
Total	**$1,529,709**	**$1,345,907**	**$554,202**	**$1,052,331**	**$498,129**

Budget Request / Analysis

The FY 2017 requested transfer to the Capital Projects fund represents the difference between the total projected costs of the projects budgeted in the CIP and the funding to be received under the VDOT Revenue Sharing program.

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

CAPITAL PROJECTS FUND

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

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

SUMMARY OF CAPITAL PROJECTS BUDGET
FOR PROPOSED AND LAST FISCAL YEAR

REVENUE	ADOPTED FY 2016	PROPOSED FY 2017
State Revenue	$ 102,000	$ 217,000
Transfers In	554,202	1,052,331
Proffers	0	180,000
Total Capital Projects Revenue	**$ 656,202**	**$ 1,449,331**
EXPENDITURES		
Capital Outlay	$ 122,047	$ 736,931
Capital Projects	534,155	712,400
Total Capital Projects Expenditures	**$ 656,202**	**$ 1,449,331**

Capital Projects Revenues

Description	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Local Revenue	$5,925	$0	$0	$0	$0
State Revenue	0	51,617	102,000	217,000	115,000
Transfers	553,548	297,160	554,202	1,052,331	498,129
Use of Reserves	0	0	0	180,000	180,000
Total Capital Project Fund Revenue	**$559,473**	**$348,777**	**$656,202**	**$1,449,331**	**$793,129**

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 2017, this amount will be funded with the use of fund balance from in the General Fund.

Use of Reserves

Proffers

The VDOT Revenue Sharing project for FY 2017 is for the installation of a traffic signal at the intersection of Falmouth Street and Shirley Avenue, directly across from Walmart on the southern end of Town. Walmart proffered amounts for the construction of this signal, so those amounts will be used to offset the local match requirements under the revenue sharing program.

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 2017 is $736,931, an increase of $602,884 from the prior fiscal year.

Description	FY 2017 Projected
Police Vehicles	$215,727
P25 Radio System Upgrade	185,656
Police Department Hardware and Software	11,548
Public Works Equipment	112,000
WARF Equipment	35,000
Recreation Vehicles	27,000
Fire Department Vehicles	150,000
Total Capital Outlay	**$736,931**

Police Vehicles

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

P25 Radio System Upgrade

This amount will provide for the necessary P25 Compliant Radio System upgrade.

Police Department Hardware and Software

This includes a Base Mobile Server/Field Reporting upgrade and Virginia Supreme Court Citation Data software.

Public Works Equipment

This amount will provide for the replacement of the existing brush chipper with an equivalent model to chip brush and logs up to 6 inches in diameter. The chipper is one of the most widely used pieces of equipment used daily (except for inclement weather) by public works

staff. The chipping of brush is a valued service provided to the residents. The current chipper will be twelve (12) years old in 2017 and is due for replacement in order to provide consistent service.

WARF Equipment

This project includes the refurbishing of three Woodway treadmills and the purchase of two ARC Trainers to complement current cardio equipment. Also to be replaced are recumbent and upright cardio bicycles, elliptical trainers and two of the four treadmills. The remaining two treadmills will be refurbished.

Recreation Vehicles

Purchase of a sport utility vehicle on State contract. Currently, there are only two vehicles for the department and there have been many times staff has to use their own vehicles to conduct Town business because of scheduled maintenance, breakdowns, or simply having both vehicles used at one time.

Fire Department Vehicles

This amount will supplement the $300,000 given to WVFC in FY 2016 to assist with the replacement of the current in-service ladder truck with a new front-line ladder truck. The WVFC apparatus replacement program outlines the need for a new ladder truck every 20 years. The goal is to sell the 1996 model year ladder truck to help recoup some of the projected $1.2M projected replacement cost. WVFC hopes to order the new ladder truck after July 1, 2016. This is tentatively planned for the new budget year and based on receiving these funds to assist with overall costs.

Capital Projects

The FY 2017 budget includes capital projects totaling $712,400, which is an increase of $190,245 from the FY 2016 budget.

Description	FY 2017 Projected
Walmart Traffic Signal	$434,000
Drainage Projects	125,400
Facility Improvements - Parking Lot E	48,500
VDOT Urban Funding	10,000
Sidewalk Construction	25,000
WARF Complex Improvements	49,500
WARF Fields Parking	20,000
Total Capital Projects	**$712,400**

Walmart Traffic Signal (VDOT Revenue Sharing)

This project will construct a traffic signal at the intersection of Falmouth Street and Shirley Avenue. Construction of approved developments in Town, in particular Warrenton Crossing, will have a significant impact on the volume of traffic at this intersection. The Town will seek VDOT Revenue Sharing to fund this project at 50%, or $217,000. Walmart proffered a total of $180,000 for the construction of a signal here, leaving the amount that the Town will fund at $37,000. The $37,000 will be transferred from the General Fund.

Drainage Projects – East Shirley Avenue & Cleveland Street

This project upgrades the storm sewer pipes in the Cleveland Street and East Shirley Avenue area to be able to carry a 10-year frequency storm. This is a major maintenance project to replace the aged corrugated metal drainage pipe with appropriately sized reinforced concrete pipe. Junction boxes and inlets are also to be replaced to improve the hydraulic characteristics of the system. The existing pipe is corroded and at the end of its design life. Reinforced concrete pipe will have a 50-75 year life expectancy.

Facility Improvements – Parking Lot E

This project is for improvements to Parking Lot E (located behind the post office) to include storm drainage and asphalt resurfacing to the northwest quadrant of the lot and pedestrian access to Horner Street via the installation of stairs from the upper northeastern level.

VDOT Urban Project – Broadview Avenue

This funding represents the Town's match at a rate of 2% of the total project cost. The $10,000 budget 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.

Sidewalk Construction – Gold Cup Drive

This project is for the construction of a 5-foot sidewalk on Gold Cup Drive from the Gay Road intersection to Rappahannock Street. The FY 2017 funding is for the surveying and design to include curbing, drainage and 5-foot sidewalk on one side of the street. Construction is programmed for FY 2018. The project will provide pedestrian access from the largest neighborhood in Town out to the recently completed pedestrian walkways on Broadview Avenue.

WARF – Facility Upgrades

Projects include installing a permanent wall between the fitness room and the multipurpose classroom, touchpad replacement on the pool timing system, fence and gate replacement at the exterior trash area, surveillance camera upgrades and additional hand dryers in the restroom areas.

WARF – Parking for Soccer Fields

This project is for the expansion of available parking in the fields area accessed from Route 211. Parking continues to be a problem on weekends at the WARF complex. Due to the large number of soccer games scheduled, there is little parking available for the WARF, hockey, skate park, and Fun for All Playground users. In order to make all facilities in the complex available to their various users, additional parking is needed to accommodate soccer patrons.

WATER AND SEWER OPERATING FUND

The Town's Water and Sewer Operating Fund, which includes all revenues and expenses for the production and distribution of drinking water and collection and disposal of sewage in Warrenton and certain areas surrounding the Town, is an enterprise fund. Monies used to support this budget are derived via monthly collections for services used by the Town's 4,857 residential and business accounts (a slight increase of 23 accounts in the past year), plus other miscellaneous charges. The Town engaged Municipal Financial Services Group (MFSG) to conduct a rate study during 2016, which resulted in the implementation of a partial recommended increase in January 2016 with a planned increase effective July 1, 2016. For FY 2017, a Water and Sewer Capital Fund has been established. In prior years, the operating and capital budgets were combined in one fund.

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

REVENUE	ADOPTED FY 2016	PROPOSED FY 2017
Permits, Fees & Licenses	$ 9,000	$ 9,000
Revenue from the Use of Money/Property	160,000	154,500
Charges for Services	3,648,500	5,193,605
Miscellaneous Revenue	58,412	44,299
Grant Revenue	0	0
Non-Revenue Receipts	355,250	0
Transfers & Reserves	952,474	0
Total Water and Sewer Revenue	**$ 5,183,636**	**$ 5,401,404**
EXPENSES		
Water Supply, Distribution & Billing	$ 1,967,823	$ 1,970,674
Wastewater Treatment	1,749,071	1,754,030
Administration	803,742	800,820
Debt Service	0	103,119
Subtotal Operations	$ 4,520,636	$ 4,628,643
Transfers	0	772,761
Capital Outlay & Projects	663,000	0
Total Water and Sewer Expenses	**$ 5,183,636**	**$ 5,401,404**

Water and Sewer Operating Revenues

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

Source	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	FY 2017 Projected	Change
Local Revenue					
Permits, Fees & Licenses	$8,305	$8,500	$9,000	$9,000	$0
Use of Money & Property	163,961	156,000	160,000	154,500	(5,500)
Charges for Services*	3,608,609	3,715,000	3,648,500	5,193,605	1,545,105
Recoveries & Rebates	21,590	60,412	58,412	44,299	(14,113)
Total Local Revenue	$3,802,465	$3,939,912	$3,875,912	$5,401,404	$1,525,492
State Revenue	**$0**	**$0**	**$0**	**$0**	**$0**
Non-Revenue Receipts	$123,913	$759,500	$355,250	$0	($355,250)
Transfers & Reserves	0	50,734	952,474	0	(952,474)
Total Water & Sewer Revenue	**$3,926,378**	**$4,750,146**	**$5,183,636**	**$5,401,404**	**$217,768**

**The Town conducted a rate study and implemented partial rate increases effective January 1, 2016. This budget projects another planned increase as a result of the study.*

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. Projected revenue is based on anticipated growth in population and business expansions, and reflects a level estimate compared to 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 2017 estimate has been lowered slightly from FY 2016 based on prior year actual receipts.

Charges for Services - The Town currently provides water and sewer services to approximately 4,857 residential and commercial customers, up 23 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 proposed budget, based on the

recommended increase in the Water and Sewer rate study conducted by MFSG, is $5,193,605, or 96.2% of the water and sewer budget.

The following rate schedule is proposed for July 1, 2016:

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

Meter Size	IN TOWN RATES			OUT OF TOWN RATES		
	Water	Sewer	Total	Water	Sewer	Total
5/8	5.30	11.85	17.15	7.95	17.77	25.72
¾	7.95	17.78	25.73	11.93	26.66	38.59
1	13.25	29.63	42.88	19.88	44.43	64.31
1 ½	26.50	59.25	85.75	39.75	88.85	128.60
2	42.40	94.80	137.20	63.60	142.16	205.76
3	92.75	207.38	300.13	139.13	310.98	450.11
4	166.95	373.28	540.23	250.43	559.76	810.19
6	344.50	770.25	1,114.75	516.75	1155.05	1671.80
8	424.00	948.00	1,372.00	636.00	1421.60	2057.60

Commodity Rate, per 1,000 gallons

Usage	Water	Sewer	Total	Water	Sewer	Total
> 2,000	5.13	8.43	13.56	7.70	12.64	20.34

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 2017 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. 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 projected increase in new homes and new connections for the coming year. Recoveries and rebates represent 0.8% of the water and sewer budget.

Water and Sewer Operating Expenses

During calendar year 2015, the water and wastewater treatment plants continued to operate within treatment parameters as issued by the Virginia Departments of Health and Environmental Quality. The water treatment plant produced an average of 1,186,000 gallons of potable water per day and the wastewater treatment plant treated approximately 1,860,000 gallons of sewage per day. Both numbers are below the 2.5 million gallon per day permitted for the wastewater plant and the 2.3 million gallons per day (MGD) permitted for the water resources. Sewer flows were slightly below 2014, but still higher than normal with 41.2 inches of precipitation for the year. The economy continued to be slow in FY 2015 with only 23 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 operating budget of $5,401,404 is a proposed increase of $217,768 over FY 2016. Capital outlay, chemicals, and electrical costs for water/sewer treatment continue to be major expenditures. Part of the proposed budget is the second phase of a recommended rate increase.

The water treatment plant is in its sixth 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 continues to function with only two personnel. Over 90% of the meters are remotely or touch read. The remaining manual read meters are being addressed on an individual basis under the operating budget. The metering system is accurate with unaccounted water remaining at an acceptable level 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.

Budget Summary

Department	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	FY 2017 Projected	Change
Meter Reading	$222,139	$201,626	$209,959	$263,975	$54,016
Source of Supply	893,371	936,925	1,080,196	1,030,947	(49,249)
Transmission & Distribution	543,043	643,537	677,668	675,752	(1,916)
Wastewater Treatment	1,646,866	1,672,585	1,749,071	1,754,030	4,959
Water & Sewer Admin.	724,761	818,333	803,742	800,820	(2,922)
Debt Service	0	0	0	103,119	103,119
Capital Outlay	1,247,963	477,140	663,000	0	(663,000)
Transfers	0	0	0	772,761	772,761
Total Water & Sewer Expenses	**$5,278,143**	**$4,750,146**	**$5,183,636**	**$5,401,404**	**$217,768**

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

Water and Sewer Operating - Meter Reading

Program Description

The Meter Reading Division is responsible for the reading of 4,857 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 Reading Division is staffed by two full-time employees.

Budget Summary

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$120,217	$126,016	$133,233	$137,165	$3,932
Operating	101,922	61,068	76,726	126,810	50,084
Capital	0	0	0	0	0
Total	**$222,139**	**$187,084**	**$209,959**	**$263,975**	**$54,016**
Staffing Summary					
Full-time	2.0	2.0	2.0	2.0	0

Budget Request / Analysis

The proposed budget for the meter reading division shows an increase of $54,016, or 25.7%, over the current fiscal year. The personnel category reflects an increase compared to the FY 2016 budget for anticipated merit increases. The section continues to function with only two personnel. Over 90% of the meters are remote or touch read. The remaining manual read meters are being upgraded on an individual basis under the operating budget. As a result of these efforts, errors in misreading are largely 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.

The estimate for materials and supplies has been increased by $50,000. This increase is for the replacement of 250 auto read meters that are 10 years and older. The estimated useful life of the battery is 10 years, so many of these will need to be replaced.

Water and Sewer Operating - Source of Supply

Program Description

The Source of Supply Division is responsible for the safe and efficient operation of the Town's municipal water supply assets, which consist of the water treatment plant, wells and reservoirs. The operation strives to provide safe, aesthetically pleasing, and pleasant tasting water to meet the demands of the Town's over 4,857 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 Source of Supply Division is staffed by five full-time employees, supplemented by part-time staff.

Budget Summary

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$458,055	$462,431	$491,904	$486,131	($5,773)
Operating	434,574	471,287	578,292	534,816	(43,476)
Capital	0	0	10,000	10,000	0
Total	**$892,629**	**$933,718**	**$1,080,196**	**$1,030,947**	**($49,249)**
Staffing Summary					
Full-time	5.0	5.0	5.0	5.0	0
Part-time	3.0	3.0	3.0	3.0	0

Budget Request / Analysis

The proposed FY 2017 budget is a decrease of $49,249 or 4.6% less than the FY 2016 budget. The estimate for personnel charges is lower than the current fiscal year to fall more in line with historical costs for this department.

Energy and chemicals continue to be major cost elements. The most significant cost decrease is in contractual repair and maintenance. The replacement of the granular activated carbon ($70,000) in the filters was budgeted in FY 2016. The granular activated carbon will not have to be replaced again until the FY 2019 budget cycle. General maintenance and the replacement of components are on the rise due to age and the rise in costs for parts and instrumentation. The Warrenton Reservoir Dam is operating under a temporary permit by DCR while it awaits a regulatory revision expected by May 2016, 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 2015 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 2016 in accordance with federal law. There were no permit violations or State Health Department inspection deficiencies during 2015. 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 Operating - Transmission & Distribution

Program Description:

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

Budget Summary

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$451,806	$496,847	$536,314	$512,148	($24,166)
Operating	91,237	129,859	137,854	160,104	22,250
Capital	0	0	3,500	3,500	0
Total	**$543,043**	**$626,706**	**$677,668**	**$675,752**	**($1,916)**
Staffing Summary					
Full-time	7.0	7.0	7.0	7.0	0

Budget Request / Analysis

The proposed FY 2017 budget of $632,692 for the Transmission and Distribution section shows a decrease of $1,916 compared to FY 2016. The personnel category projects a decrease of $24,166 due to personnel changes within the department.

The section continues to focus in the coming year on the maintenance and servicing of the extensive and aging water-sewer system. The program includes flushing of waterlines, adherence to the established schedule for annual and biannual valve & hydrant inspections and more frequent cleaning of sewer lines to prevent backups. 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 purchased in FY 2016 and visual inspection and sealing as needed of sanitary manholes.

Water and Sewer Operating - Wastewater Treatment

Program Description

The Wastewater Treatment Plant Division is responsible for processing of the community's sanitary sewage to regulatory standards to protect the downstream environment and user, be that user a private property owner, another city or district, an industry, or a fisherman. Laboratory testing is performed on the wastewater and receiving waters to 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 wastewater treatment plant, the section is also responsible for the operation and maintenance of eight sanitary sewer pump stations.

Staffing

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

Budget Summary

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$654,875	$651,355	$715,319	$684,379	($30,940)
Operating	991,991	1,149,828	1,029,252	1,065,151	35,899
Capital	0	0	4,500	4,500	0
Total	**$1,646,866**	**$1,801,183**	**$1,749,071**	**$1,754,030**	**$4,959**
Staffing Summary					
Full-time	7.0	7.0	7.0	7.0	0
Part-time	3.0	3.0	3.0	3.0	0

Budget Request / Analysis

The FY 2017 budget of $1,754,030 represents a modest increase of $4,959 compared to the FY 2016 budget. The decrease in the personnel category reflects a reduction in the estimate for overtime in this division based on historical costs.

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 1,860,000 gallons of sewage per day in 2015, well below the over 2,000,000 gallons per day in 2014. Development growth continued to be slow during the past year with only a net increase of 16 new residential and commercial accounts added. FY 2017 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 biggest impact is the potential rezoning of Walker Drive properties.

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

Water and Sewer Operating - Administration

Program Description:

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

Budget Summary

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$570,728	$531,933	$611,724	$582,108	($29,616)
Operating	154,033	225,613	191,518	218,712	27,194
Capital	0	2,613	500	0	(500)
Total	**$724,761**	**$760,159**	**$803,742**	**$800,820**	**($2,922)**
Staffing Summary					
Full-time	6.5	6.5	6.5	6.5	0

Budget Request / Analysis

Included within the budget are the salaries of a Senior Administrative Assistant and Utilities Technician and a portion of the salaries and expenses of the Town Manager, Finance and Human Resources Director, Accounting Supervisor, Public Works/Utility Director, Assistant Director, and Account Technicians, all of whom are full time town employees, but are only budgeted for that portion of their work performed for the Water and Sewer Operating Department. In the FY 2016 budget, a portion of the Town-wide classification and compensation study was budgeted in this department (a total of $45,000). The decrease in the personnel category reflects the fact that this does not occur each year, offset by anticipated merit increases.

Staff continues to work with consultants in improving plant operations, identifying infrastructure upgrades and evaluating the water and sewer system impacts of proposed developments on the system's ability to serve. Staff also continues to monitor and investigate the operational aspects of the nutrient removal upgrade to the WWTP with the objective to not just meet the permit limits, but also to generate nutrient credits for the Town's MS4 stormwater mandate. 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. A main objective of staff is to insure there are adequate utility resources to support community build-out requirements. The focus is increasing sources of water and recapturing of sewer capacity. The professional services line item is for outside consulting assistance to help resolve problems and help with identifying future program requirements primarily for the water and wastewater treatment plant operations.

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

Water and Sewer Operating - Debt Service

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

Through financial advisors Davenport and Company, the Town recently issued a Request for Proposal for direct bank loans to fund three years of capital projects. This resulted in an extremely favorable interest rate and term. The Town entered into this arrangement during FY 2016. The first interest only payment will be due in FY 2017 in the amount of $103,119.

Water and Sewer Operating - Transfers

The surplus of operating revenues over expenses is transferred to the Water and Sewer Capital Fund. The projected amount for FY 2017 is $772,761.

WATER AND SEWER CAPITAL FUND

The Town's Water and Sewer Capital Fund is an enterprise fund that accounts for the collection of availability fees and the costs associated with capital improvements. This is a new fund for FY 2017. In prior years, the operating and capital budgets were combined in one fund.

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

REVENUE	ADOPTED FY 2016	PROPOSED FY 2017
Availability Fees	355,250	340,000
Proceeds from Indebtedness	0	1,051,076
Transfers	952,474	772,761
Total Water and Sewer Capital Revenue	**$ 5,183,636**	**$ 2,163,837**
EXPENSES		
Capital Projects	663,000	2,163,837
Total Water and Sewer Capital Expenses	**$ 5,183,636**	**$ 2,163,837**

Non-Revenue Receipts (Availability Fees)

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

Non-revenue receipts are difficult to estimate and are directly related to new development or new construction in the Town and within its service area. This category reflects a decrease of $15,250 for FY 2017 based on expected activity related to proposed developments. The FY 2015 budget anticipated the Rizer property and Warrenton Crossing developments to be under construction, which were delayed / deferred. FY 2017 revenue of $340,000 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 15.7% of the proposed water and sewer capital budget.

Proceeds from Indebtedness

The Town issued a bond in FY 2016 for $5,020,000 through Middleburg Bank to finance several years of planned capital improvements in the Water and Sewer Capital Fund. This projected $1,051,076 represents the amount anticipated to be drawn down during FY 2017l.

Transfers

This amount represents a transfer from the Water and Sewer Operating Fund for the excess of revenue over expenses. The projected amount for FY 2017 is $772,761.

Water and Sewer Capital Fund - Capital Projects

This budget includes funds for construction of new projects or rehabilitation work under the Council's guidelines for capital projects and purchases of new equipment for water and sewer operations. The Water and Sewer Capital Budget for FY 2017 is $2,163,837, summarized as follows:

Project	Amount
Water Plant and Well Improvements	1,025,337
Sewer Plant Improvements	210,000
Warrenton Dam	55,000
Sewer Line Rehabilitation	800,000
Water Line Replacement	73,500
Total Water and Sewer Capital Fund	$2,163,837

Water Plant and Well Improvements:

Water Treatment Plant Physical Plant Expansion ($511,837): A Phase III upgrade to the treatment plant is needed to replace and upgrade the chemical treatment assets in an expanded plant facility. 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.

Well #3 Activation ($415,000): Project includes the installation of new pumps and treatment process to meet Virginia Department of Health Drinking Water Standards. Existing well house will be demolished and replaced to house the new treatment system. The project has been deferred since FY13 while staff and VDH resolved technical treatment issues and an alternative pumping to reservoir scenario.

Tank Mixing ($98,500): This is the second phase of the project initiated in FY15 to install mixer, aeration and ventilation systems in the two drinking water storage tanks. The project is to provide active mixing of the water with spray aeration and tank ventilation to remove trihalomethanes. Phase I provided the tank mixers with this second phase to install spray aerators and ventilation.

Sewer Plant Improvements:

Additional WWTP Upgrades – RBC Replacement ($175,000): Project consists of the replacement of the original installed equipment Rotating Biological Contactors (RBC) with the next generation Moving Bed Biological Reactor (MBBR) to enhance treatment of biological oxygen demand (BOD) and pre-denitrification. The project is to be phased over 3-4 years in order to maintain treatment operations. Without the component functioning as designed, the plant will be unable to meet the DEQ permit standards for treatment and be in violation. The RBCs function to remove BOD, ammonia and pre-denitrification.

Additional WWTP Upgrades – Trickling Filter ($35,000): Project involves increasing the filter bed media two feet providing additional surface area for ammonia removal. To add the two feet of media, the central shaft and rotating distribution arms need to be raised the two or more feet. The increased media surface area enhances ammonia removal during the sewage treatment process to meet DEQ permit compliance. As the plant approaches its design capacity limits, the ammonia and BOD removal process will need to operate at peak efficiency.

Warrenton Dam:

Warrenton Dam Spillway Evaluation ($55,000): Evaluation of the Warrenton Reservoir Dam Emergency Spillway as directed by Virginia Department of Conservation & Recreation (DCR). Remedial actions are tentative on evaluation results. 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. DCR is in the process of revising the PMF criteria. Once the new criteria are established, a spillway evaluation must be conducted in order to receive a 5-year O&M permit.

Sewer Line Rehabilitation:

Sewer Rehab I&I ($800,000): Project is a multi-year effort to abate inflow and infiltration to the sanitary sewer system. Staff, with consultants, has identified the Plant South and Taylor sewage basins as the primary and initial area for remediation. Rehab efforts will include, but not limited to, sewer main relining, replacement, manhole rehabilitation, sealing lateral connections and other methods to eliminate intrusion to the system. In the spring of 2015, the Town completed an update to its Water Sewer Capacity Study. The study recommended the Town increase its efforts to reduce I&I with an objective to recapture 200,000 gallons per day over the next three years.

Water Line Replacement:

Waterloo Road ($73,500): This project will install approximately 1,050 linear feet of 8 inch ductile iron water main along Old Waterloo Road from the western corporate limits to the WARF entrance.

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 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$200,936	$195,640	$204,259	$205,259	$1,000
Operating	262,685	272,096	236,397	265,144	28,747
Capital	0	0	0	7,000	7,000
Total	**$463,621**	**$467,736**	**$440,656**	**$477,403**	**$36,747**
Staffing Summary					
Full-time	3.0	3.0	3.0	3.0	0

Budget Request / Analysis

The proposed FY 2017 budget for the Motor Pool is $477,403 which is an increase of $36,747 or 8.3%, greater than the FY 2016 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. Due to the retirement of several long-term employees, the personnel category did not increase significantly. Overtime has been included in the proposed budget to supplement during the high equipment use months of the construction season and during snow removal operations. Snow removal operations require mechanic support for the duration to 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 IT Manager was hired halfway through FY 2016 to manage the vendor and guide the Town's Information Technology resources.

Budget Summary

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Projected	Change
Personnel	$0	$0	$85,162	$91,379	$6,217
Operating	166,740	184,031	162,650	199,650	37,000
Capital	148,223	24,450	80,000	69,000	(11,000)
Total	**$314,963**	**$208,481**	**$327,812**	**$360,029**	**$32,217**
Staffing Summary					
Full-time	0	0	1.0	1.0	0

Budget Request / Analysis

The FY 2017 budget for the Information Technology Fund is $360,029, an increase of $32,217, or 9.8% compared to the FY 2016 adopted budget. This amount will be allocated to the using departments based upon the current number of network users at a rate of $3,978 per user per year.

The budget request includes $87,700 in professional services for weekly help desk support and installation services for budgeted projects. It is anticipated that in future years this amount will decline as the full-time IT Manager assumes more support-level activities. Maintenance contracts for Information Technology software and hardware total $87,850, and communications (for services such as cable and T1) are estimated at $15,600. Equipment to be purchased in FY 2016 includes several server and firewall refresh projects for equipment for which end of support has been announced. Also included is a move to MS Office 365.