

MINUTES
PURCELLVILLE TOWN COUNCIL SPECIAL MEETING
WEDNESDAY, MARCH 15, 2023, 6:00 PM
TOWN COUNCIL CHAMBERS

Meeting video can be found at the following link: <https://purcellvilleva.new.swagit.com/videos/222108>

COUNCIL MEMBERS PRESENT: Mayor Stanley Milan, Vice Mayor Christopher Bertaut (*Remote participation for medical reasons*), Council members Erin Rayner, Boo Bennett, Carol Luke, Mary Jane Williams and Ron Rise Jr.

STAFF PRESENT: Interim Town Manager John Anzivino, Director of Administration Hooper McCann, Director of Finance Elizabeth Krens, Director of Human Resources Sharon Rauch, Director of Engineering, Planning and Development Dale Lehnig, Director of Public Works Jason Didawick,, Police Department Chief Cynthia McAlister, Police Department Deputy Chief Dave Dailey, Director of IT Shannon Bohince, Financial Analyst Linda Jackson, Division Manager Parks and Recreation Amie Ware, Deputy Town Clerk Kimberly Bandy

CALL TO ORDER:

Mayor Milan called the meeting to order at 6:00 PM. The Pledge of Allegiance followed.

PRESENTATION:

a. Town Manager's Proposed Budget for FY 2024 (*On file at the Clerk's office*)

John Anzivino, Interim Town Manager gave the presentation.

Council discussed the presentation with few questions and staff would include Q&A sessions in future meetings.

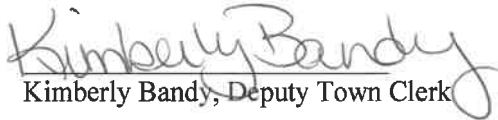
DISCUSSION

a. Review of Upcoming Budget Work Session Schedule

John Anzivino gave the report and each Council member commented on their availability regarding special meetings schedule. All Council members acknowledged being available for the meetings, Council member Rise shared that he would not be available the first week of April because of business travel and the 5:00pm start time would be difficult, it was then decided by Council the future planned Town Council special meeting budget work sessions for Budget Year 2024 would begin at 5:30pm and end by 8:30pm.

ADJOURNMENT:

With no further business, Council member Bennett made a motion to adjourn the meeting at 7:34PM.


Kimberly Bandy, Deputy Town Clerk


Stanley J. Milan Sr., Mayor



**Proposed Fiscal Year 2024
Operating Budget and Capital
Improvement Program Fiscal Year
2024-2028**

John Anzivino, Interim Town Manager

March 15, 2023

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

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



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Accomplishments Leading into Fiscal Year 2024 Budget



Fiscal Year 2023 in Partial Review

- ✓ Change in local election date with new Council members taking office January 1, departure of Town Manager, and onboarding of Interim Town Manager
- ✓ FY24 Budget work begin in the fall of 2022 w/focus on support to the new Council members with their first budget cycle
- ✓ Added workloads associated with administrative and project management of \$10.6 million in Federal ARPA funding
- ✓ Recruitment of key positions such as Planning Manager, Town Manager, Utility Operators and continued vacancies in the Police Department
- ✓ Maintained AA/AAA Credit Rating from the major credit rating agencies
- ✓ Received Unqualified Audit Opinion for Fiscal Year 2022
- ✓ Staffing Analysis and Organizational Assessment presented to Council in fall of 2022
- ✓ Personnel Manual update, Zoning Ordinance update and planning deliberations associated with County projects

Purcellville's Proposed Fiscal Year 2024 Budget

- The Budget consists of 5 funds: General, Parks & Recreation, Water, Wastewater and Capital Improvement Plan (CIP)
- Operating budget is \$24.4 million, a \$3 million increase over prior year
- Total budget (includes CIP) is \$28.2 million
 - Balances projected revenues and expenditures of \$28.2 million
 - Inflationary pressures continue

CHALLENGES

- Uncertain Economy (Inflation, Potential Recession)
- Lingering supply chain constraints
- Continued impact to cost of doing business
- Challenge with staffing and re-staffing of all departments
 - Highly competitive job market
 - Low unemployment
 - General perceptions related to careers in public service
 - Impending retirements (loss of institutional knowledge)
- Return to traditional government funding
 - Infusion of Federal Funding, CARES and ARPA fully allocated

OPPORTUNITIES

- ✓ **Human Capital – “Machinery of Government”**
 - Production of Quality Services as outcome of the ‘manufacturing’ process
 - End product goal – high quality products or services
 - Requires well maintained ‘machinery’ for efficient and effective operations
 - ✓ **Implementing Components of Staffing Study**
 - Address staffing issues
 - Compensation to a competitive level; ability to adequately pay existing staff and recruit at market level, as departures occur
 - 5% salary increase and continuing pay for performance increases linked to base pay
 - 3 additional staff are recommended in the proposed budget
 - 2 in Utilities and 1 in Engineering, Planning and Development
- ❖ Town Organization Chart – Page 47 of Budget*

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OPPORTUNITIES

- **Aging Infrastructure Replacement**
 - Maintain infrastructure investments while facing expenses related to constant use of assets
 - Funding to maintain the Town’s most needed improvements
 - Plan for future expenditures in well-thought out CIP – developed through needs assessments & engineering analysis
- **Use of Technology – Munis Software Implementations**
 - Permitting module by end of March 2023
 - Software as a Service (SaaS) Cloud - by end of April 2023
 - Credit card payment module installation begins this week with implementation w/in a few months
 - Use of payroll module for deeper data analysis

OPPORTUNITIES

- **Creating a Culture of 'Thinking Outside the Box'**
 - Constants few & far between – change is rapid
 - Necessity to stretch limited funds
 - Continue to maintain existing or provide higher levels of service
 - Remain w/in federal, state, and local policies, laws & ordinances
 - New ideas
 - Cooperative partnership to manage Town's Wine & Food Festival
 - Many Town employees display this attitude in the daily quest to solve complex problems
 - Recognition of staff successes often overlooked
 - Suggest Council take strong policy position to encourage & recognize employee innovation and creativity
 - Celebrate successes with the employees

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FEDERAL, STATE & COUNTY REVENUE & GRANTS

(see Budget - pages 107-114)

- | | |
|--|---|
| <ul style="list-style-type: none"> • Federal <ul style="list-style-type: none"> - American Rescue Plan Act (FY22-FY27) \$10.6M • State (\$1,642,500 +) <ul style="list-style-type: none"> - VDOT – Revenue Sharing - Arts Matching Grant - Keep Virginia Beautiful Grant - Forestry Clean Water Grant - Recreational Trails Grant - Office of Drinking Water Grants | <ul style="list-style-type: none"> • Loudoun County <ul style="list-style-type: none"> - 5 Year CIP - \$3,700,000 - Coordination of Northern VA Transportation Authority funding (6 year total) \$4,157,000 - Visit Loudoun - up to \$10k |
|--|---|

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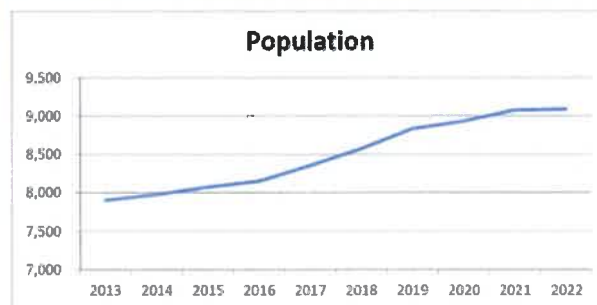
LOUDOUN COUNTY IN-KIND SUPPORT

(see Budget - pages 114-117)

- **Police Department (\$3 million +)**
 - Dispatch
 - Backup & assistance with Town Events
 - Portable Radios
 - Vehicle Calibrations
 - In-car Mobile Computers
 - In-car Radio System
 - Records Management System & Support
 - Firearms Range
 - Police Academy tuition & fees
 - Officer training
 - Officer recruitment assistance
- **Engineering & Planning (\$80K +)**
 - GIS – Info, projects, fire hydrant data for Fire & Rescue response
 - Building & Development, Fire & Rescue, Erosion & Sediment Control, - plan review, inspection results, building code issues, violations.
 - Waiver of Fees – such as review & inspection fees, zoning fees, etc.
 - Free & exclusive access to County Land Management Information System (LMIS)
- **Admin, Finance & Engineering (\$2,500 +)**
 - Free remote access to Clerk of Circuit Court Land Records
 - Commissioner of the Revenue annual assessment of real, vehicle and business property
 - Economic Data from Finance and Budget Office
 - Revenue Coordination, Tax Billing
 - Vehicle Tax Relief Calculations
 - Tax Relief Program Eligibility

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POPULATION & STAFFING



Personnel - Full-Time Equivalent (FTE)

	FY 2015	FY 2018	FY 2020	FY 2021	FY 2022	FY 2023	* Proposed FY 2024
Governmental FTE	55.15	61.60	69.50	66.90	66.90	67.90	68.90
Utilities FTE	19.40	18.00	18.00	18.00	18.00	18.00	20.00
Total FTE	74.55	79.60	87.50	84.90	84.90	85.90	88.90

Staffing Level to Population

	8,075	8,573	8,929	9,076	9,088	9,088	9,088
Population							
Residents/FTE	108.3	107.7	102.0	106.9	107.0	105.8	102.2

* Proposed FY 2024 FTE's based on the Staffing Analysis completed November 2022

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AVERAGE RESIDENTIAL TAX

Average Residential Tax

Source: US Census Bureau population 2020. Note *: Real Estate Tax Rate only. Excludes Special Tax District for Fireman's Field.

Tax Year	Average Residential Assessment	RE Tax Rate (per \$100 of assessed value)	FF Tax Rate (per \$100 of assessed value)	Average Residential Taxes
2023 Proposed	\$555,749	\$0.21	\$0.030	\$1,334
2023 Equalized	\$555,749	\$0.192	\$0.030	\$1,234
2022	\$507,939	\$0.21	\$0.030	\$1,219
2021	\$442,466	\$0.22	\$0.030	\$1,106
2020	\$417,249	\$0.22	\$0.030	\$1,043
2019	\$394,380	\$0.22	\$0.030	\$986
2018	\$370,552	\$0.22	\$0.030	\$926

Real Estate Tax Rate Comparisons

Source: US Census Bureau population 2020. Note *: Real Estate Tax Rate only. Excludes Special Tax District for Fireman's Field.

Town	Population	2022 Tax Rate (FY23)*	2023 Tax Rate Proposed (FY24)*
Purcellville	8,929	\$0.210	\$0.210
Hamilton	619	\$0.260	\$0.280
Middleburg	539	\$0.1369	\$0.1276
Leesburg	48,250	\$0.1774	\$0.1774
Herndon	24,655	\$0.265	pending
Vienna	16,473	\$0.225	\$0.2025
Blacksburg	44,826	\$0.260	pending
Dumfries	7,276	\$0.1899	pending

❖ 2021 Median Purcellville household income - \$140,536 Source: US Census Bureau 18

ALL FUNDS Compensation Plan

Personnel Costs

- 5.0% Indexed Pay Increase for employees
 - Relative to 8.7% 2023 Social Security Administration COLA
- Pay for Performance incentive totaling \$379K
- No change to Virginia Retirement System (VRS) contribution rate
- Health insurance 4.6% rate increase
- Travel & Training (non-wage) budgets are 1.5% of departmental salaries
- Total 89 FTE's (increase of 3 over prior year)
- Consistent with the 2019 Classification and Compensation Study, and the subsequent update, the Town is competitive in the labor market

GENERAL FUND



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GENERAL FUND Highlights

Proposed Budget

- General Fund (GF) Operating Budget totals \$13.9 million
 - Revenues and expenditures increased by \$1.26 million or 10% over prior year

Proposed Revenues

- Maintain 2023 Real Estate tax rate \$0.21/\$100 of assessed value.
 - Each penny of tax rate is valued at \$181,000
 - Assessments increased 9.3% (9.11% existing property + .19% new)
- Strong consumer based tax base growth of +13%
 - Meals, Sales and Business License Tax (+\$636K)
 - Each 1% of Meals tax = \$592,000
- Use of Reserves to balance budget = \$149,957
- Use of Reserves for cash funded CIP (Hirst Pond) = \$588,300

◆ See 'Your Tax Dollar at Work' on pg. 45 of Budget

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GENERAL FUND Highlights

Proposed Expenditures

Personnel Costs

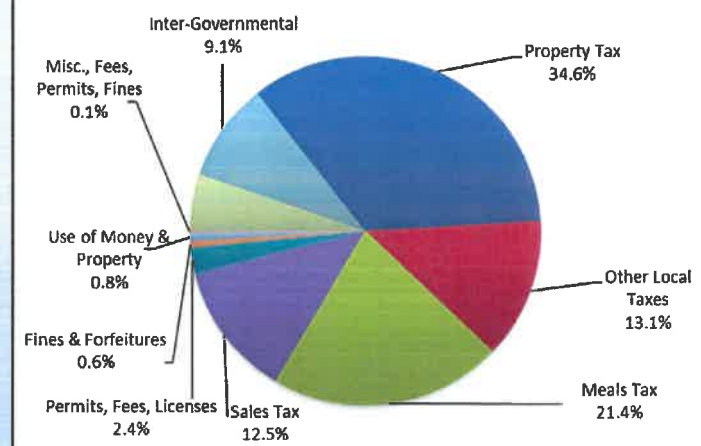
- 67 FTE's (increase of 1 FTE)
 - New Capital Projects Manager position
- Maintains indirect cost allocation methodology and use of timekeeping data to allocate \$1.2 million General Fund labor costs to Utility funds
- Methodology improved due to in-house development and implementation of performance management tool w/in time keeping system

Other Major Expenditures

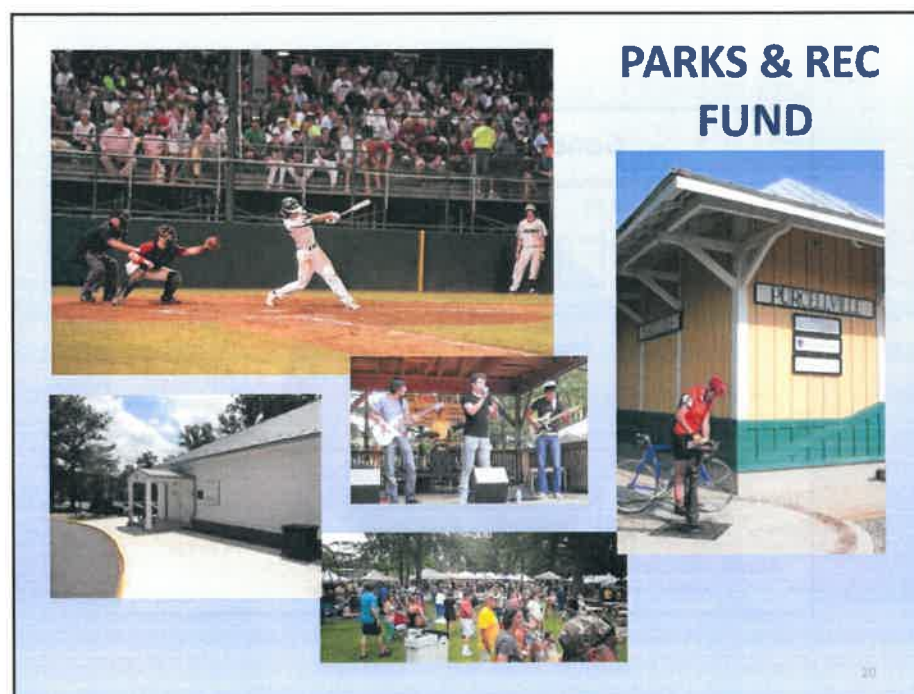
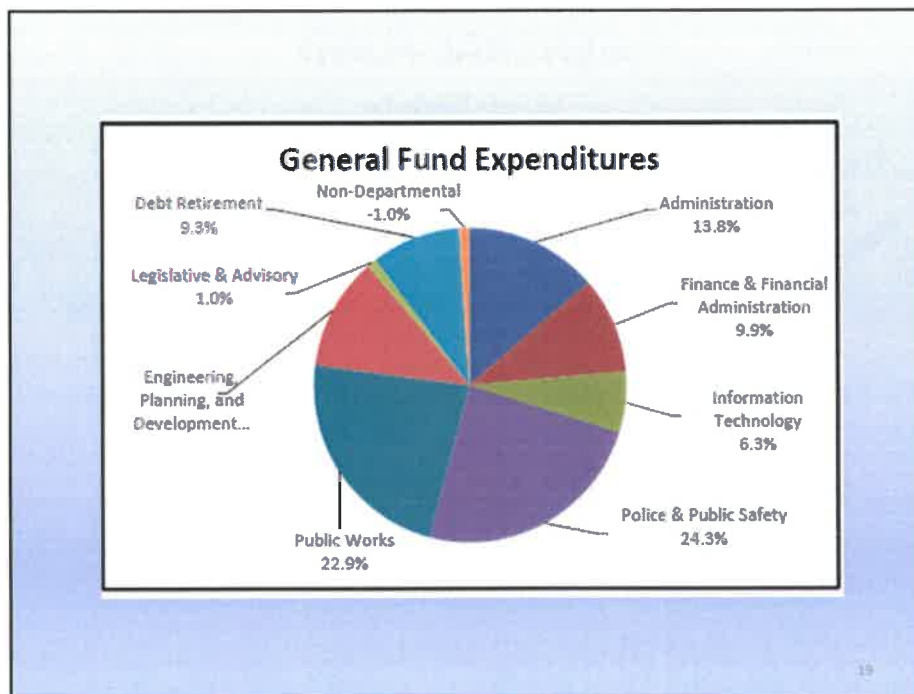
- Inflationary pressures continue
- Capital Asset Replacement Plan (CARP) of \$247,164
 - Leased vehicle and mower
- GF Capital Improvement Plan of \$2.5 million includes 5 projects with \$1.9 million funding from external sources

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General Fund Revenues



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PARKS AND RECREATION FUND Highlights

Proposed Budget

- Parks and Recreation Fund Operating Budget totals \$933,355
 - Revenues and expenditures increased by \$207,071 or 29% over prior year

Proposed Revenues

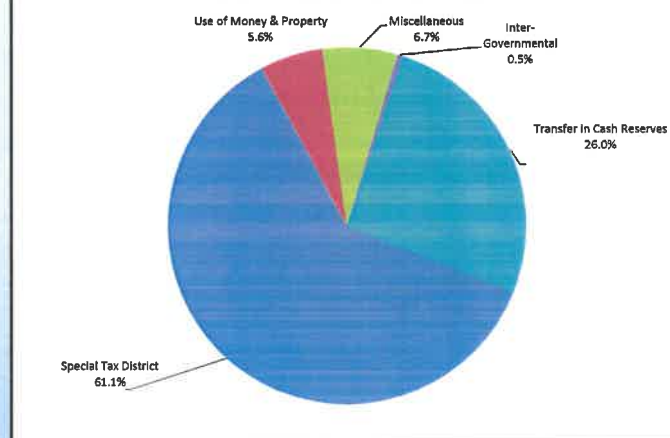
- Fireman's Field Tax District rate \$0.03, no change from prior year
- Use of Operating Reserves to balance budget = \$136,599
- Use of Operating Reserves for cash funded CIP = \$106,175

Proposed Expenditures

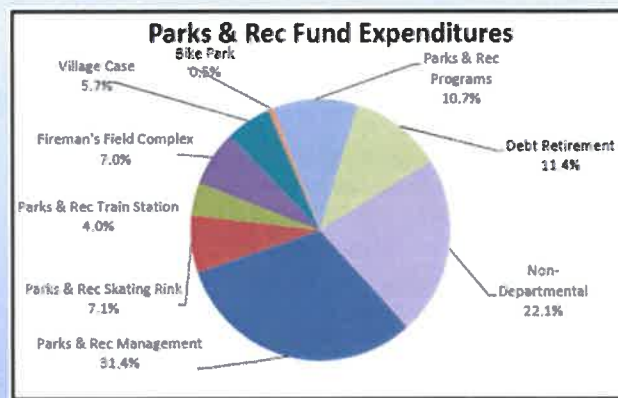
- Inflationary pressures continue.
- 2 FTE's, no change from prior year
- Non-wage enhancements include: \$5K Bike Park recurring maintenance, \$20K Tabernacle floor maintenance, \$48K Village Case, \$76K Fireman's Field
- Capital Improvement Plan of \$156,175 includes 1 (Outdoor Stage)
(*\$106,175 cash, \$50k anticipated donations*)

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Parks & Recreation Revenues



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**WATER
FUND**

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WATER FUND Highlights

The Proposed Budget

- Water Fund Operating Budget totals \$4.5 million
 - Revenues and expenditures increased by \$594K or 15% over prior year

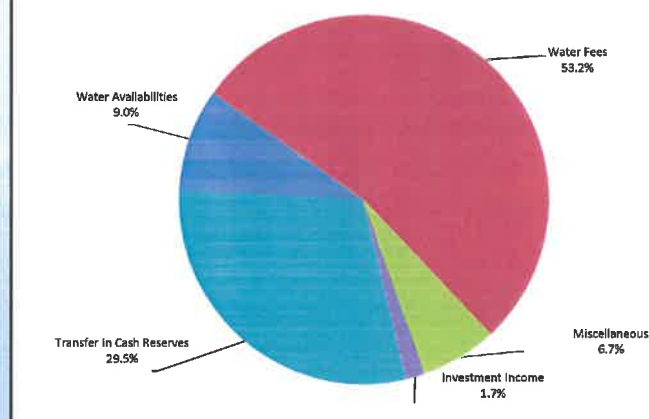
Proposed Revenues

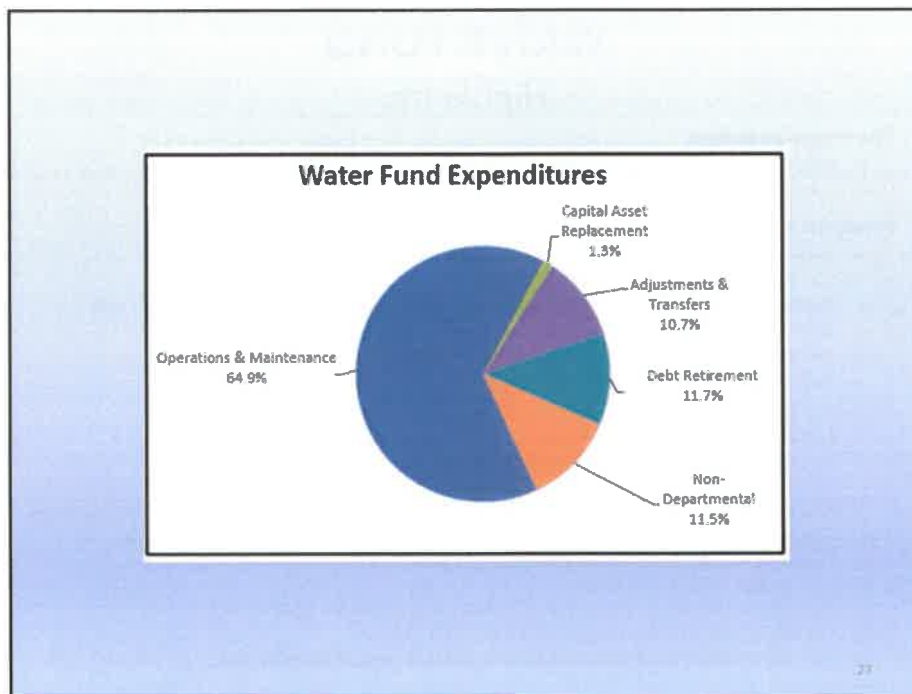
- 6.5% proposed rate increase in water user fees per latest utility rate analysis
 - User consumption continues to decline.
- Availability revenue when realized will be invested in Capital Reserve Fund consistent with Town's Fiscal Policy guidelines.
- Use of Operating Reserves to balance budget = \$847,862
- Use of Operating Reserves for cash funded CIP = \$481,127

Proposed Expenditures

- 10 FTE's (increase of 1 FTE)
 - New Water Operator's Apprentice position
 - Maintains indirect cost allocation methodology based on timekeeping data totaling \$591,516
- Non-wage enhancements include: \$8K Water Building, \$28K Filter Rehab, \$14K for Environmental Protection Agency (EPA)perfluoroalkyl & polyfluoroalkyl substances (PFAS) Monitoring
- Capital Asset Replacement Plan (CARP) of \$59,600
 - Leased vehicles and HVAC
- Capital Reserve Fund for one-time uses when Availabilities are realized.
- Capital Improvement Plan of \$576,667 includes 3 projects
 - 12th St Main, De-chlorination Building, Ground Water Treatment Plant

Water Fund Revenues





WASTEWATER FUND

Highlights

The Proposed Budget

- Wastewater Fund Budget totals \$5.1 million
 - Revenues and expenditures increased by \$987K or 24% over prior year

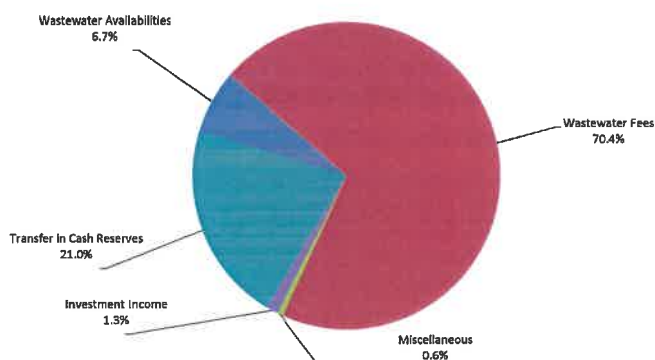
Proposed Revenues

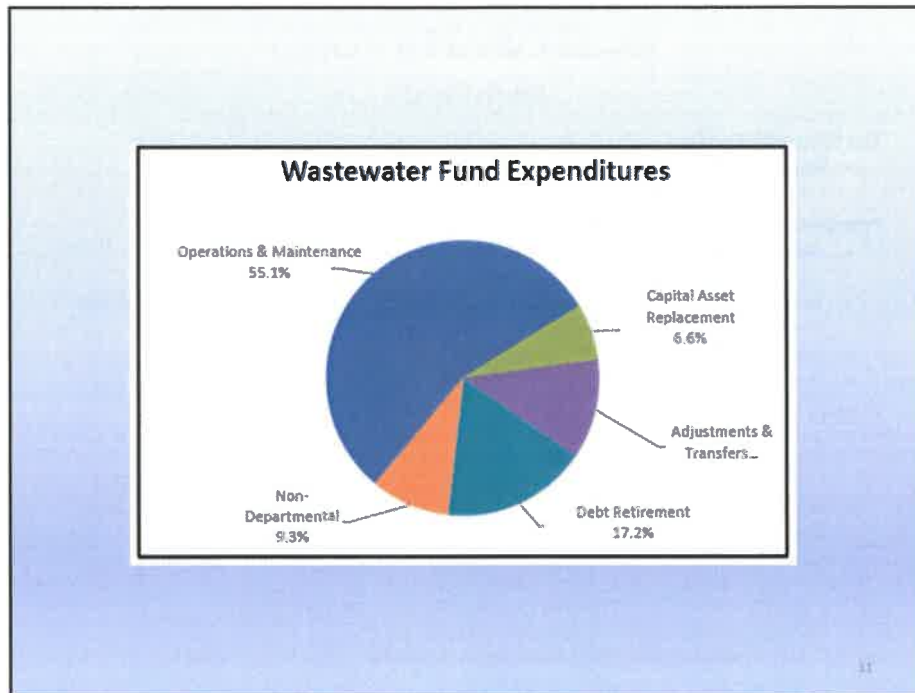
- 9% proposed rate increase in water user fees per latest utility rate analysis
 - User consumption continues to decline
- Availability revenue when realized will be invested in Capital Reserve Fund consistent with Town's Fiscal Policy guidelines
- Use of Operating Reserves to balance budget = \$471,182
- Use of Operating Reserves for cash funded CIP = \$594,500

Proposed Expenditures

- 10 FTE's (increase of 1 FTE)
 - New Wastewater Operator position
 - Maintains indirect cost allocation methodology based on timekeeping data totaling \$550,618
- Non-wage enhancements include: \$190,000 Belt Press, \$20,694 Grinder Chamber, \$30,000 Electrical, \$15,000 PE Flow Meter
- Capital Asset Replacement Plan (CARP) of \$335,894
 - Leased vehicles, equipment, inflow and infiltration
- Capital Reserve Fund for one-time uses when Availabilities are realized
- Capital Improvement Plan of \$594,500 includes 2 projects
 - Membrane Replacement, Pump Station Upgrades

Wastewater Fund Revenues





- UPCOMING MEETINGS:**
- **Wed, March 22 at 6:00 pm, Budget Work Session**
 - ❖ Interim Town Manager FY24 Budget Presentation
 - **Tue, March 28 at 6:00 pm, Regular Council Meeting**
 - ❖ Adopt 2023 Real Estate Tax Rate
 - ❖ Budget Deliberation
 - **Wed, March 29 at 6:00 pm, Budget Work Session**
 - ❖ Budget Deliberation
 - **Tues, April 11 at 6:00 pm, Regular Council Meeting**
 - ❖ Public Hearing FY24 Budget
 - ❖ Public Hearing FY24 Master Tax & Fee Schedule
 - **Wed, April 19 at 6:00 pm, Budget Work Session**
 - ❖ Utility Rate Models
 - ❖ Budget Deliberation
 - **Tues, May 9 at 6:00 pm, Regular Council Meeting**
 - ❖ Town Council to Adopt FY24 Operating Budget & Appropriation Resolution and Master Tax & Fee Schedule
 - ❖ Fallback adoption date May 23, Regular Council Meeting
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Anyone can hold the helm when the sea is calm. - Publilius Syrus

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