Town Manager's FY 2017 Proposed Budget
Master List of Questions/Answers
From Council Members

GENERAL FUND

Question: I am very concerned about the large amount of overtime in the police department, as I compare it to calls for service, so it would help to see some administrative details that explain staffing (3 month schedule and roster with ranks and time with the department), shifts (are they 8, 10, or 12 hour), are shifts fixed or rotating. What are the specifics of when, what event or issues, and why overtime is spiking. I have noticed 2 officers at town meetings, any reason why? I would like to know if there is a report from the past 5 to 8 years that shows employment dates of service for current and former officers. (6/10/16 Council member Grim)

Answer: Staffing/Fixed Shifts:

The department is divided between an A side and a B side. The officers work 12 hour shifts.
Shifts are staffed with one supervisor and two officers.

An example of the shifts:
Day Supervisor works 0530 to 1730; night supervisor works 1730-0530.
Day officers work 0600-1800. Night officers work 1800-0600.
A Side:
Week One: *Work* Mon, Tues. Off Wed, Thur. *Work* Fri, Sat, Sun.
Week Two: *Off* Mon, Tues. *Work* Wed, Thur. *Off* Fri, Sat, Sun.
B Side:
Week One: *Off* Mon, Tues, *Work* Wed, Thur. *Off* Fri, Sat, Sun
Week Two: *Work* Mon, Tues, *Off* Wed, Thur. *Work* Fri, Sat, Sun

Overtime Usage:

Staffing: The department policy is to have two officers on each shift. This offers little flexibility between three officers to schedule vacation time, and training, not to mention unexpected sick leave. Many officers have the tenure that allows them to accrue a higher level of leave, and when taken the squad supervisor may need to recruit another officer to fill in on overtime. Officers are also required to meet mandatory training hours per the Department of Criminal Justice Services.

Court: Officers attend adult traffic/misdemeanor court once per month, Juvenile traffic court once per month. Domestic related, felony cases and juvenile criminal are set on different dates by the courts. These appearances are normally on overtime, unless the officer is working. Some of our officers are also certified as breathalyzer operators and are subpoenaed into court for other officers/deputies cases. Officers also are subpoenaed on other cases as witnesses.

Initiatives: At times the Chief has a focused initiative such as criminal or traffic enforcement because of problem areas either self-identified or brought to the police department's attention by a resident.

Unfortunately in an attempt to keep overtime low, many are not done as aggressively as the Chief would like.

Holiday Hours: Police officers work 24/7, 365 days a year. While other town staff enjoys holidays off, the police officers are working. They get compensated for this and this charge goes against the overtime budget.

Town Council Coverage:

Chief McAlister attends the Town Council meetings as a department head, not for security of the attendees and the buildings. The second officer, who is sometimes on duty and sometimes on overtime, is there to protect the Town Council members, Staff, Attendees and monitor the building and the exterior. With today's events around our country Chief McAlister feels it is prudent to have another officer who can be focused on the overall safety during the meetings.

I do not have access to previous officers' tenure or salary.

Question: BPOL: Breakdown of Revenue by Category for past 5-10 years. (6/2/16 Council member Grim)

Answer: These reports are provided each year to the full Council (2011 was only to Ways & Means who did not take to full Council) for review of the rates and possible changes. Since these reports are multi-year analysis when you look at each year's report provided for prior years there is only one year of history picked up in the data. (BPOL staff reports for 2011, 2012, 2013, 2014 & 2015 provided – Attachment 1)

Question: Davenport Report: Is there a report from Davenport in the last year or so that compared our "rainy day fund" to 5 other localities. Do we have that? (6/2/16 Council member Grim)

Answer: Staff believes the 11/12/14 Overview Report is the only time a "Comparative Analysis" was provided. These reports tend to vary from year to year and reflect direction from staff and/or Council. For future reports, Davenport would be happy to accommodate any other request from Town Council. (Overview Report dated 11/12/14 provided – Attachment 2)

Question: 2013 Refinancing: Do we have the Davenport/MFSG presentations from the time period of the 2013 Refinancing? Do we have assumptions of how Council expected to pay the bonds or revenue/growth assumptions? (6/2/16 Council member Grim)

Answer: The 9.24.13 report is pre-public bond sale and the 2.25.14 report is post 2013 public bond sale update to TC before budget. Staff does not believe TC has adopted a plan to deal with the debt increase in FY20 and the balloon in FY21 yet. The plan was to restructure utility debt for 5 years to allow TC time to develop a plan and consider all options including growth vs rate increase scenarios. (Council Presentation v3 9.24.13 & Purcellville Budget Overview v2 2.25.14 provided – Attachments 3 & 4)

Question: Pay for Performance: Provide a copy of the current program. Also, what program was in place before the current program? (6/2/16 Council member Grim)

Answer: The current program was initiated in 2014. The previous program was initiated in 2008. (Town of Purcellville's Pay for Performance Program 4.2014, Performance Management 2008, and Purcellville Performance Management Blueprint 5.2008 provided – Attachments 5, 6 & 7)

Question: 2006 Comp Study (6/2/16 Council member Grim)

Answer: Compensation Study – Hendricks & Associates 11.2006 provided – Attachment 8

Question: Actual expenditures for FY 2015 and FY 2016 by firm (and by project, if possible) (6/2/16 Council member Grim)

Answer: General ledger detail transaction reports for all legal services for FY 2015 and FY 2016 provided – Attachment 9

Further details and/or clarification can be provided by the Town Attorney

Question: Can we pull a week's worth of data from the Security Badge/ID server that shows how the swipe/access information is stored? (6/2/16 Council member Grim)

Answer: ID Card Access information 5/31/16 – 6/6/16 provided – Attachment 10

Question: Would like to know the real estate tax paid on Gateway shopping center prior to build and after. How much tax does the Purcellville Gateway add each year? (4/6/16 Council member Lehr)

Answer: Real Estate 2016 estimate $66,718 (Town has not officially received land book assessments yet, 2016 data is from online parcel information). Business License 2016 estimate $83,000 – Note: this is yearly business BPOL and does not include the one-time construction BPOL from contractors which would take a lot of time to procure data over several years. Meals Tax FY 2015 was $515,000 - FY15 actual for all other food establishments plus annualized Chick-Fil-A that opened in FY16 (Oct. 2015).

Business personal property data is difficult to gather from the current tax system and provides negligible impact to this overall analysis. (Purcellville Gateway Parcels assessment and real estate tax information provided – Attachment 11)

Question: History of Mary's House of Hope and Maintenance Shed/Old WWTP site (4/5/16 Town Council).

Answer: We pulled as many of the records as possible along with deeds to put together the history of the property so Town Council can make a decision on how to allocate or park the revenue generated from the sale. Here is a quick summary:

The Town's Wastewater collection system was built around the 1940's. In 1947, the Town purchased the first piece of property that included 3.72 acres where the first municipal plant was built later that year. Over the years, the Town added 3 more parcels to the plant site in 1962 and in 1976. These four parcels were known as the WWTP site and shared a common entrance located below the house. The Town upgraded the plant in 1977 and this plant continued to operate until it was demolished after the

construction of the Basham Simms WWTP. The remaining buildings that you see today at the plant site were built in 1977.

The Town purchased the 1.81 acre site where Mary's House of Hope is located in 1973 and the Town built and later expanded the Maintenance building on the site. The Town also put in a new and much safer road to the WWTP along the north boundary. It was easier to get out for site distance but the hill limited the use by heavy equipment during snow/ice conditions. The Town also used a small portion of the lower property for WWTP operations after the 1977 upgrade.

The house known more recently as Mary's House of Hope was listed as an asset in the General fund since the beginning and all cost to maintain both the house and Maintenance building came from the General Fund. Up until about 2003, The Town rented the house to tenants and the Riley family had lived there for decades. Monthly rent was collected and put in the General fund.

Repairs or expansions to the house and maintenance building were taken out of the General fund. The Town used a small portion of the original purchase for a new road to the WWTP and for several sections of the old WWTP.

Question: Can the Town put the proceeds, from Mary's House of Hope, in any of the four funds and use them as needed? (4/5/16 Town Council)

Answer: If Town Council wants to discuss this further, I would recommend that you engage our auditors and financial advisors and get an opinion from our Town attorney but here is my professional opinion:

If the Town would want to put the proceeds from sale into the General Fund, then you would have to do nothing more than budget the funds or do a budget amendment once the property is sold. This is based on the fact that this house has been in the General Fund since it was purchased and listed as an asset in that fund. All of the maintenance, expenditures and income have always come back to the General fund.

If the Town wanted to put it in the Wastewater Fund, I believe the Town could justify placing a portion of it in that fund since a new road was built to the WWTP and portion of the lower piece of the property was actually used for the plant site. I would recommend maybe a 75/25 or 50/50 split but that would be pushing it with larger fund going to the General Fund. It would also require Town Council to take the formal process of reclassifying this asset out of the General Fund and list a portion of it in the WWTP if that is allowable under governmental accounting practices.

If the Town wanted to put it in the Park Fund or Water Fund, then I would not recommend it since neither of these funds have ever had facilities or operations at that location.

It is Town Council's final decision as long as it is legal and follows proper governmental accounting guidelines. I didn't want to incur additional expenses from our professional advisors and consultants without knowing of the preferred direction of TC so we will hold until TC makes a final recommendation or needs more information before we incur an outside cost.

Question: Where can staff cut to save $240,000 in order to maintain a stable tax rate or raise taxes, etc. (3/31/16 Council member Lehr)

Answer: Budget Reduction Options Memo to Mayor and Council members provided – Attachment 12

Question: Town employees' share of Healthcare costs - how does that compare to the County and other jurisdictions? (3/31/16 Council member Lehr)

Answer: Healthcare costs comparison provided – Attachment 13

Question: Meals Tax – what is 1%? (3/31/16 Vice-Mayor McConville II)

Answer: Just over $364,000 per percent and just over $1.8 million for the 5% meals tax.

Question: Paralegal position – what is the costing savings of having this part-time position? How much legal expense will be reduced? (3/31/16 Council member Lehr) Factor in speed of expediting certain items (3/31/16 Vice-Mayor McConville II). Question: Paralegal part-time position – would like details on value added from positon and identify the risk of not having the position. Potential dollars saved by not outsourcing? (3/29/16 Mayor Fraser & Council member Lehr)

Answer: A part-time paralegal will increase efficiencies in the Town Attorney's office. The Town Attorney's office was first created in 2012, and had no existing infrastructure. A system needs to be developed for the Town Attorney's office that includes developing and updating the Town's legal forms, tracking incoming and outgoing legal work, calendaring legal deadlines, and filing and storing legal documents for the Town. Once those systems have been created and implemented, the paralegal can switch his or her focus to performing pro-forma legal work, such as preparing FOIA responses and reviewing submitted deeds and contracts, in addition to performing the ongoing administrative tasks of the Town Attorney's office.

The proposed enhancement will allow the Town Attorney to diminish time spent on administrative and paralegal tasks. Administrative and paralegal tasks currently done by the Town Attorney include: (a) review and approval of invoices from outside counsel, (b) filing, (c) copying and scanning, (d) occasional delivery of documents for recordation to the Courthouse, (e) meeting arrangements, (f) making reservations to attend required conferences, (g) ordering or renewing reference material or software for the Town Attorney's office, (h) checking and correcting references to the Virginia Code and the Town Ordinances, contained in the Town Code, (i) gathering historical documents in order to research a topic, and (j) review of public records in response to FOIA requests. The Town Attorney spends approximately 5 to 10 hours per week on such tasks. With these tasks transferred to a paralegal, the Town Attorney can spend this time on projects that require legal review. This will result in an increased speed of review for requests that come from all of the Town departments, and a more cost-efficient allocation of resources.

Currently, the Town Attorney sends overflow work of a pro-forma nature to outside counsel, which generally costs in the neighborhood of $250 per hour. It is expected that once the administrative systems are in place and running smoothly, the paralegal can devote 10 of his or her 20 hours per week to pro forma legal review, and the remaining 10 to more administrative tasks. If the paralegal prevents even 5 billable hours per week from flowing to outside counsel, the annualized result will be the retention of $65,000 per year that would otherwise be paid to outside counsel – an amount that is almost double the requested $33,000 annual compensation.

Prior to this request, Town Administration attempted to utilize existing resources in order to address the administrative functions that a paralegal would serve. At one point, the Town Clerk was assigned to the Town Attorney to serve an administrative role, however it became apparent that the Town Clerk's responsibilities constitute a full-time position without assisting the Town Attorney. Also, using the front-

desk staff was considered. However, there are four such staff members and the resulting lack of continuity would be problematic.

This requested enhancement furthers the Town Council's "Good Governance" initiative, which states that defined roles shall be performed efficiently. Currently, the Town Attorney is performing both legal and paralegal functions. This enhancement will allow better definition of the role of the Town Attorney, and will allow the Town Attorney to more effectively use her time. If a paralegal is not funded, the Town Attorney's office will continue to function, but with less efficiency than is possible with a paralegal.

Question: Various supplemental questions involving all funds (3/30/16 Mayor Fraser)

Answer: Responses provided – Attachment 14

Questions on Records Management Consultant (3/30/16 Council member McCollum)

Do we know how much the Town is spending to store records whether onsite or offsite? This calculation should include the cost per square foot if we have it.

Answer: We currently store records in a secure enclosure at the Maintenance facility so there are no direct costs associated with this storage. The "opportunity cost" is a loss of space for other uses at the Maintenance facility where these records are held. There are costs associated with the storage of records on the Town's computer servers (Laserfiche is budgeted at $6,000 per year), but these costs may not change even with a revision in our retention policies.

Once we have these data, we can then determine how much we would save by implementing this program. This calculation (even if it is a good-faith estimate) would allow the Staff to show the pay back both in terms of recovering the cost of the fee of the records management consultant as well as ongoing savings, the costs of staff time in implementation, and the projected annual costs (if any) for maintenance.

Savings attributable to the resulting efforts by records management consultant may not be initially tangible. However, once the review is completed, analysis has been completed and policies have been developed and put into place, the staff hours saved and overall efficiency of operations would be expected.

As discussed previously, there is a benefit that may be hard to quantify that the Town achieves in responding to FOIA requests. The ability to easily access records would provide a much more efficient response time for FOIA requests.

Question: IT Website design and maintenance - The design is a one-time event, how much is the maintenance and which is recurring? (3/30/16 Mayor Fraser).

The line item includes $4,000-$6,000 for the annual maintenance of the website. This line includes funds that may be used for other website needs and web-based expenditures throughout the year. Some of these funds may be used to supplement the "Software Operations" mentioned below as we look to enhance the security of our operations and provide the tools needed for staff to conduct their work.

Question: Please provide a list of all our IT Assets, In Service Date, and End Of Life Date - Can these go to the cloud or be virtualized? (3/30/16 Mayor Fraser)

Most of our servers are currently outside of their manufacturer's warranty and are covered by a third-party service warranty. Many of them are still operable, but we need to plan for their replacement, and we are currently looking at all options. We will likely virtualize many of these servers over the next year or so, instead of replacing all of the physical hardware. This will save money and provide better data backup and disaster recovery options. Cloud services could be utilized for some servers; however, our biggest shortfall for cloud services is the Town's limited bandwidth and redundancy of internet access. We will continue to assess options for cloud services, but in-house hosting with virtual servers appears to be our best option at this time. (IT Hardware Server Asset List provided – Attachment 15)

What Software and how can we save?

This is primarily our Microsoft Office licensing and other desktop applications. We are looking at opportunities to use organization-wide licensing to save money (currently under review). We are not large enough to take advantage of enterprise licensing. Other software in this category includes our anti-virus software and our SPAM filter through Google. Software is going to continue to play a key role in our IT Department, including enhancing our security and policies.

Question: More detailed organization chart for Public Works departments (3/29/16 Council member Nave)

Answer: Detailed organization charts provided – Attachment 16

Question: Provide detailed listing of all vehicles and equipment, to include mileage and condition (3/29/16 Council member Lehr)

Answer: Vehicle and equipment list provided – Attachment 17

Question: What is Council's Consulting Expense line item 100-4011100-3130? (3/28/16 Vice-Mayor McConville II)

Answer: This is a new line item that adequately allows the Mayor and Town Council to monitor the amount of specific research and study projects that are requested by the entire Council or individual members. Over the years we have seen a significant increase in the amount of outside research for questions that need to be answered by bond counsel, consulting engineers and professional planners as they pertain to decisions that the Town Council is contemplating. While it is important that we make sure we provide this information as thoroughly and as quickly as possible to Town Council, it is also imperative that Council understands what these costs are and can adequately track and monitor them throughout the year. If not, these requests are sometimes lost in individual departmental budgets where both the priority, cost and tracking is extremely difficult.

Question: It looks like there is an increase of 75k in Finance Staff Item 100-4012410-1100, why the big increase? Is this for the Procurement Specialist and the AP/PR Assoc. part time positions? (3/28/16 Vice-Mayor McConville II)

Answer: Yes, the difference is due to the part-time Procurement Specialist and AP/PR Associate positions.

Question: What is the value of each penny on the tax rate? (3/28/16 Council member Lehr)

Answer: Penny on the tax rate - 2016 is $118,898 or $119,000 if you round up. Equalized tax rate calculation, based on assessment information, calculates this number each year (Tax rate calculation and RE tax revenue CAFR sheet provided – Attachments 18 & 19).

Question: What is the justification for the compensation study? Seems to be a significant amount of money, if we are underpaying staff is there a plan to bring them up to par? If we are overpaying staff will we reduce their salary to match? (3/28/16 Vice-Mayor McConville II)

Answer: Yes, the justification is that our salary scales have not been evaluated in 10 years. The intent is to review our salary scales and develop a plan to adjust salaries accordingly. It would also look at our classifications and determine whether jobs are classified in the appropriate categories – in 10 years we have added positions such as Assistant Directors, Project Managers, Team Leads, etc. It is important to make sure we have classified this correctly so that we can recruit and retain quality employees.

Question: There seems to be varying increases/decreases to the health insurance. It didn't seem to be a consistent number. Overall it looked like a 100k increase in health insurance, why? (3/28/16 Vice-Mayor McConville II)

Answer: There are two factors that contribute to the increase in health insurance. First, the cost increases due to the proposed enhancements. It is important to know that staff budgets all new positions as "Family" coverage, which is the highest cost plan to the Town. In many cases, new hires may not elect this coverage, so there is an inherent savings over the entire health insurance costs. Second, the cost increases are also due to utilization of health care and overall health costs by our provider. The Town's premium costs increased by 9.6% this year – that is a factor of our historical medical claim history for covered members.

Staff notes that there was a miscalculation in the initial figures included in the budget. This resulted in some of the department lines appearing to decrease related to health insurance, while other department lines increased significantly. Staff believes the miscalculation does not materially impact the overall budget, as personnel and health costs vary throughout any given year. For example, the true cost of health care to the Town will not be known until open enrollment, which begins in late April. Some employees may choose different coverage than in previous years or may not need insurance as in the past. In addition, with the natural attrition of retirees and turnover in positions, there will be cost savings throughout the year.

Finally, staff is exploring alternate options under Virginia's "The Local Choice" health program which would reduce the Town's and employees' costs by about 10%. Staff is continuing to research and will bring more information to Council during the 3/31/16 Budget Work Session. (Health Insurance Savings Costs information provided – Attachment 20)

Question: It looks like there was an increase in the legal services in community development, 20k....why? What lawsuits are we anticipating? Is this part of what exists today? (3/28/16 Vice-Mayor McConville II)

Answer: As the Town has seen an upswing in development and redevelopment of properties within the corporate limits, the following items have resulted in additional legal services both in-house and contract:

• Additional deed review and application review of new and redevelopment applications before the Town.

• Current and ongoing potential legal costs and challenges resulting in appeals filed by residents and property owners.

• Additional legal support to our Committees, Commissions and Boards as they handle more complex applications related to infill development.

• Significant major code and document upgrades in Planning Department related to text amendments, comprehensive plan and ultimate zoning ordinance upgrades.

Question: It looks like there is a 78k increase in IT staff Item 100-4012510-1100, why the big increase? Is this to make the IT Director full time and the part time IT Tech? (3/28/16 Vice-Mayor McConville II)

Answer: Yes, the difference is due to the IT Director going from part-time to full time and the part-time IT Technician. This is a result of the mid-year staffing approved in January.

Question: What is the PD Facility Site study? Is this the police department? Why is it under the PW Budget? Line item 100-4041050-3145 (3/28/16 Vice-Mayor McConville II)

Answer: This is a study to determine both a needs and location site assessment of a new Police Department Facility. The Public Works Department provides oversight of all design and construction related services. We will work closely with a task force made of members of the Police Officers and Team Management to ensure all the items are considered in the needs and siting assessment

When the police originally were relocated to Hirst Road, it was intended that this arrangement would be less than 5 years and that the Town would construct a joint municipal facility which would include general government operations and Police Department at the same location. When the Town chose to renovate the Purcellville Baptist Church, the site did not allow for the Police Department to move into this location so the Town had to continue the lease which is now going on 10 years. The Town's current lease expires this summer and we are looking at extending the lease for a 3 to 5 year period at the current location while the Town completes a potential facility site study and ultimately choses the location to construct a new police station.

The intent of including a feasibility study is to develop options for location and cost estimates to be included in a future CIP.

Question: What alternatives have we looked at for the police instead of so much OT? At what point does it make sense to hire another officer? Have we looked at rotating shifts? Do we do 12 hour shifts or 3 8 hour shifts? (3/28/16 Vice-Mayor McConville II)

Answer: Law enforcement officers are critical staffing and it is a 24 hour/365 day a year job. We currently work 12 hour shifts 0600-1800/1800-0600. This shift configuration has proven to be the best use of personnel resources and requires the least amount of personnel for 24 hour coverage. Therefore, this is the most effective for the few officers that we have. An 8 hour shift would necessitate more officers for the 24 hour coverage. The 12 hour shift is not preferred because it leaves the town police services too thin at shift change and we depend on the

dedication of the officers to either work over to conclude cases or we hope the oncoming officers hustle out before their shift begins. It also does not allow for any overlap to provide officers with time to exchange information or collaborate on problem solving on issues that affect both the day officers as well as the night officers, there is no time when an officer can focus on an investigation without also being at the ready to answer calls for service, and there is no time a supervisor can block out time to train on a new policy, new law, new equipment or current officer safety issue, etc. – that isn't susceptible to being interrupted by a call for service.

For officer safety reasons and sufficient police coverage for the town, there is a two officer minimum staffing. Because we only have two officers and a sergeant per shift, some of the day work officers choose to attend court on their days off to avoid not meeting minimum on the days they work and would have court. Obviously midnight officers must attend court on their time off. Officers have the choice to attend training on days off or adjusting their work days. The officers will adjust when possible, but if their squad will be short because of another officer taking leave or in training, they will attend the training on OT. Training can vary between an 8 hour class and a 40 hour class. Events in town (and sponsored by the town) that have a police presence have some level of police overtime staffing. Supervisors do their best to ensure they have the two officer minimum, but when sick leave, annual leave, and training come into the mix there are many times that someone must work overtime to fill the shortage created on the street. Lt. Schroeck picks up a lot of the gaps, but he is only one person, but this is difficult in light of his many administrative duties and it is preferable if he is not out handling calls on a routine basis.

As of late last year, we began tracking overtime in greater detail (specific justification coding) so that I can take a closer look as to why overtime is used and if there are ways to trim it back. I don't believe I will find any great way to accomplish much savings. As an example, the town currently pays OT for all holidays worked, which adds to that cost.

Having squads of three officers, which includes the supervisor, also does not provide the best police services to the town. There are many cases that do not get the level of investigation that they should. However, the officers have very little flexibility in their shifts to follow up leads. I believe each squad should have three officers and a supervisor (4 total persons per squad, per shift), and we should have one detective on staff.

In future budgets (over the next few years) 1 detective and 2 officers will be requested to create a power shift and offer flexibility. This will aid in the police service level, and will have some positive impact on the overtime issue. Further along in the future the town will need to look at staffing each of the four squads with one additional officer.

Question: Page 147 32nd and A St. improvements scheduled? Financing in place? (3/27/16 Council member Nave)

Answer: The Town was successful in obtaining $1,078,500 in VDOT Revenue Sharing for this project. Unfortunately, the Town needs to cover the local funding portion. There is no financing in place. The estimated cost is $1,055,000. Also, the Town received a DEQ grant for the Hirst Farm storm pond conversion in the amount of up to $300,000. We would need to provide matching funds. The estimated need is $250,000-$300,000. (page 147 is General Fund CIP page of budget document)

Question: Page 13 Police Office Manager - need more information. Officer would go out on duty? (3/27/16 Council member Nave)

Answer: Yes, the officer position would be placed back into a patrol capacity. A patrol officer is currently serving in this capacity, although there is more work than is manageable. This new office manager would learn the jobs that the current officer now does and add additional responsibilities. The Department is in critical need for someone to review policies, regulations and general orders, which are critically out of date and disorganized. This position would be working on these as well as working closely with the Chief to build the Volunteers in Police Service program, and Auxiliary program. They would also assist in structuring our community outreach programs, which is an area PD would like to be more proactive in. All of these roles take a significant amount of time to coordinate and schedule, and much of that is currently falling on the Chief.

Additional staffing will continue to be requested in future budgets to support the administrative work of the Department, which in the long-run serves the patrol officers and helps them be more productive in their required duties.

Question: Page 11 Chargeback of 587K to reimburse General Fund, what is this? (3/27/16 Council member Nave)

Answer: The chargeback is an accounting tool to reapportion General fund department expenditures to the Utility Funds. In summary, the General Fund receives a total of $1,175,823 (shown as revenue/transfer from other funds line) and each utility fund reimburses the General Fund $587,912 (shown as expenditure/chargeback line). The majority of the chargeback is for personnel charges for utility related duties in PW Administration, PW Engineering, PW Maintenance, Finance and HR staff (1,153,309 to reimburse GF -$576,654 from each utility fund). A lesser amount is for Town Hall Loan ($17,244 to reimburse GF – $8,622 from each utility fund) and for utility billing software support fees ($5,270 to reimburse GF- $2,635 from each utility fund). The increase in chargeback in FY17 is due to increases in compensation costs and new positions.

Question: Page 10 Local Choice insurance increase of 9.6%, is that the Town contribution? What was increase last year? (3/27/16 Council member Nave)

Answer: Rate increase for last year was 2.3% (Insurance rate history provided – Attachment 21)

Question: Page 10 What is the decrease in VRS? (3/27/16 Council member Nave)

Answer: The VRS Board of Trustees certifies the employer contribution rates for political subdivisions. These rates are based on actuarial analysis and change as necessary to fund the system. These rates are enacted by the General Assembly. VRS informed us of a 14% decrease for Plan 1 & 2 employees for FY 2017. (VRS rates FY17 & 18 and VRS rate history provided – Attachments 22 & Attachment 23)

Question: 3% indexed pay increase. What does indexed mean? Bonus for Model Employees question, Is this a % of pay, based on what criteria? Performance related? (3/27/16 Council member Nave)

Answer: In the spring of 2014, the Town of Purcellville implemented a new Pay for Performance program which was tied directly to the new employee performance evaluation. In order to save space in the questions, a copy of this presentation will be placed in all Town Council boxes. The Town implemented a two part annual pay increase which included an index adjustment and a performance bonus. The index adjustment is based on the following items:

- Consumer Price Index of the Washington Baltimore area, comparison of neighboring communities proposed pay increases to remain competitive and experience that we have seen throughout the year in recruiting and filling vacant positions.

- Budget limitations – the Top Performing Role Model employees are eligible for an additional bonus up to $1,500 and is based specifically on their annual performance appraisal as outlined in the presentation.

Question: Page 13 Compensation study - is there a result of 10K expensed? Is there a write up? (3/27/16 Council member Nave)

Answer: The $10,000 allocated in FY16 has not yet been expended. Due to an unexpected heavy work load in Human Resources this year, staff has not had the time to work on this project. Staff is working to procure a consultant in the remaining months of FY16. The plan proposed by staff is to use the $10,000 approved in FY16 and add an additional $10,000 in FY17. This total amount of $20,000 should be sufficient for a consultant to review all of the Town's positions and compensation structure. If the additional amount for FY17 is not approved, the work of the consultant may be limited and may not result in all of the analysis and information needed to make informed decisions.

Question: Page 13 Records Mgt. - do we have a Records program now? Is there a records schedule, retention schedule? Are we destroying records after fulfilling retention term? What are the guidelines we should be adhering to? Are we complying? (3/27/16 Council member Nave)

Answer: We do not have a formal records program at this time. While Town staff has and will continue to make every effort to maintain compliance with records retention and destruction schedules in accordance with the Library of VA, due to the value of the public records, it is imperative that we take every step necessary to ensure that our records are managed and preserved in a manner that is legally prudent, but also time and cost effective. Sound records management practice is essential to conducting public business. The records we are entrusted with provide evidence of the operations of government and accountability to the citizens. While much of the information we maintain is available for observation and accessible to the public, we must also ensure that we safeguard records that legally must remain private and confidential. Staff takes this responsibility very seriously and wants to ensure best practices are applied on a consistent and uniform basis.

Staff is requesting funding for the engagement of a records management consultant to assess the current status of our records, define and outline any issues, reduce redundancy, assist with the development of policies, guidelines and programs to ensure that staff maintains consistent naming, filing, management and required timely destruction of records.

While the Library of Virginia offers detailed instructions regarding records management, due to the volume of records that exist, both in paper and electronic formats, and the extensive amount of time that would be required for staff to undertake this activity, a specialized consultant would provide the most cost effective and responsible option.

Question: Page 13 Paralegal PT position - no benefits? What is current workload? Question of what is handled in house versus outsourced? (3/27/16 Council member Nave)

Answer: Yes, the paralegal is being proposed as a 24/hour per week, part-time employee. This person will increase efficiencies in the Town Attorney's office. The proposed enhancement will allow an administrative professional to perform the Town Attorney's administrative work, in lieu of that work being performed at a higher cost by the Town Attorney. The Town Attorney's office was first created in

2012, and had no existing infrastructure. A system needs to be developed for the Town Attorney's office that includes developing and updating the Town's legal forms, tracking incoming and outgoing legal work, calendaring legal deadlines, filing and storing legal documents for the Town. Once those systems have been created and implemented, the paralegal can switch his or her focus to performing pro-forma legal work, such as preparing FOIA responses and reviewing submitted deeds and contracts. Currently, the Town Attorney sends overflow work of a pro-forma nature to outside counsel, which generally costs in the neighborhood of $250 per hour. Staff expects that once the administrative systems are in place and running smoothly, the paralegal can devote about 10 hours per week to pro-forma legal review at a savings to the Town of about $250 per hour. Additionally, the paralegal can perform legal research at a cost lower than that of the Town Attorney.

Question: Page 99 Administration Consulting/General what is this? (3/27/16 Council member Nave)

Answer: This is the records consultant enhancement referred to above. In past years, this money is used for other consultant needs, whether needed by the Town Manager or directed by Council. The Town Manager provided a separate line item under the Council's budget that includes $10,000 for general studies and consultant work as directed by Council.

Question: Page 102 Financial Advisor expense higher than budget, why? What is agreement? (3/27/16 Council member Nave)

Answer: The estimate for FY16 should be $21,600 (budget amount) as it is not expected to exceed this amount. It can be difficult to project this category as it is based on our requests to the Town's financial consultants and these services tend to vary each year (Davenport, MFSG, bond arbitrage calculations required by IRS). The rates and fees are set in the contract agreements with each consultant. Typically in years where new bonds are issued, the Financial Advisor fees (Davenport) and Bond Counsel legal fees are included in cost of bond issuance and included in future debt service amounts/financed. In years where no bonds are issued, the Financial Advisor submits an invoice which details costs for analysis, presentations, rating agency coordination, travel or other services we may request. A similar category has also been established in the water (page 131) and wastewater (page 136) funds.

Question: Page 111 PW Admin/Eng/Staff increase due to new staff additions? (3/27/16 Council member Nave)

Answer: As part of the FY17 Proposed Enhancements, an Assistant Director of Public Works has been requested. Enhancement information can be found on page 14 and staff expenditure details on page 111.

Question: Page 14 Replacing vehicle? Justification? (3/27/16 Council member Nave)

Answer: Police Department – Replace 2006 Ford Police Interceptor vehicle #216 – mileage is over 100,000 and vehicle currently not in service and is in poor condition; 2007 Ford Police Interceptor vehicle #207 – mileage approximately 91,000 and in service in the fleet but currently being repaired and is in below average condition. Vehicle may need a replacement electronic control module (ECM), which is the computer that controls functions of the engine. Cost of repair would be approximately $4,000.

PW Engineering – Replace 2003 Chevrolet Silverado vehicle #105 – mileage is 48,098 and vehicle has ongoing maintenance issues.

Question: Page 88 General fund Adjustments & Transfers and Capital Outlay what is this? (3/27/16 Council member Nave)

Answer: General Fund Adjustment and Transfer details can be found on page 119.

- $100,000 Pay Adjustments (includes $75,000 for Performance Bonus Pool and the $25,000 enhancement for Market Adjustments);
- Contingency/Surplus is the balancing number equivalent to the excess revenues over expenditures;
- Transfer to Capital is GF cash reserves used as a financing source on a Financial Software capital project;
- Capital Asset Replacement Fund was established based on Council's Fiscal Policy Guidelines, Section IV Budget Management (policy recommends annual funding of between 10-25% of the incremental additional revenues from growth in the Town's tax base- see attached history of the contributions to this fund).

General Fund Capital Outlay details can be found on page 119 and page 224. This expenditure line shows the proposed purchase/replacement of capital assets such as vehicle and major equipment. In the past, our budget showed capital expenditures within the operating budget of each department. We now aggregate the fund's capital outlay in one section to alleviate major year to year swings in the department's total operating budgets. The Town's Fiscal Policies define a capital asset as one with value greater than $5,000 and an expected life of 2 or more years. On the other hand, capital projects (see 5 year CIP) as a major project with a value greater than $50,000 and an expected life of 5 or more years.

Question: Page 91 Capital projects moves to $1.115 in 2017? (3/27/16 Council member Nave)

Answer: The $1.115 in capital projects expenditures for FY17 as shown on page 91 and 144 are for General Fund only. The FY17 water capital projects total $98,753. There are currently no capital projects for the sewer fund included in the 5 year CIP. More details about the projects, costs and timing of the Town's 5 year Capital Improvement Plan can be found starting on page 139. Additional future capital project concepts are also shown on the "Unfunded Future Capital Projects" list starting on page 156.

Question: Is there any way to reduce BPOL for a new business in Town during its first year? (3/13/16 Vice-Mayor McConville II)

Answer: Most likely, yes, we could offer new businesses opening in Purcellville a License Tax exemption for up to 2 years under Code of Virginia § 58.1-3703(D). However, unless we do so across the board for all such new businesses, then "how" we do it will require a fair amount of staff time to consider. It is also worth noting that the Business License is typically one of the lesser fees that a business incurs and may not be sufficient to serve as a true incentive for a new business. Council should consider the revenue impact of this decision. Staff could provide more details regarding number of new businesses each year but it would be difficult to provide a good estimate of revenue loss as gross receipts vary dramatically across businesses. Many new businesses pay somewhere between the minimum charge of $20 and $200. However, this exemption could result in loss of revenue between $20,000 and $100,000 if it was a high gross receipt business such as a grocery store or developer. Should Council wish to discuss development of a larger economic development "incentive" program, staff would be able to prepare information for a future Council meeting.

SPECIAL PARKS/REC FUND

Question: Would like to move the Parks and Recreation Advisory Board budget back into the General Fund so that all of the committees, commissions and boards are together (3/31/16 Vice Mayor McConville).

Answer: Ultimately, the Special Revenue Fund is established by the Town's Ordinance Chapter 74 Taxation, Article VIII Fireman's Field Service Tax District. Via this ordinance, Town Council directs the specific use of the special revenue funding stream associated with the tax.

The State Auditor of Public Accounts (APA) designated Uniform System of Accounts classifies expenditures by functions. One functional area is called Parks, Recreation and Cultural. This includes expenditures related to the maintenance and operation of parks, beaches, and other participating recreation facilities. This functional area also includes cultural enrichment. Based on this guidance from the APA, staff recommends Town Council consider relocating the Arts Grant and the corresponding expenditures into the Parks and Recreation Fund. Additionally, the PRAB should remain in the Parks and Recreation Fund but could be separated into its own department. A case could be made to move the Tree Commission to the General Fund if they deal with trees all over Town. If they only deal with "park" areas then it makes sense to leave it in the Parks and Recreation fund.

Question: Events Specialist PT to FT – What type of growth is projected for actual town events that will require this coordination and management by the Events Specialist? Will any of these increased events be held at Fireman's Field? (3/30/16 Mayor Fraser)

Answer: Staffing the Parks and Recreation division for the Town of Purcellville has been structured a few different ways since 2010 when the Town Events Program began to increase. It has been staffed with 2 part time positions, one focusing on administration and one focusing on events, and then it was staffed as it currently is, with one part time staff. The position was originally staffed at 32 hours a week but then the hours were reduced to 28 per week due to labor laws regulating part time staffing.

Initially the event specialist position was created to focus the majority of working time on the town special event program and be the liaison for the Parks and Recreation Advisory Board and Committee on the Environment. Despite the position title, the position is not only responsible for coordinating Town events at Fireman's Field and working with vendors associated with those events. It is event management/coordination at fireman's field and other facilities and managing most of the administrative tasks associated with Parks and Recreation Division functions. Responsibilities of the position have increased in the following ways:

- Creation and administration of the Special Events Ordinance – this position manages the process from start to finish in outside organization event approval. These events take place on and off of Town property and require varying degrees of time and assistance from the Event Specialist. Examples are the American Legion Baseball tournament, Dragon Yong-in Marshal Arts tournament, Sadie's Race etc.

- Liaison for the newly formed Purcellville Arts Council. The events specialist supports this group by creating guidelines, producing press release, writing grants to introduce new art related programs to Town including Art at the Train Station, Art in town Hall, and in the next fiscal year (FY16) supporting a new lecture series and community Art Project.

- The Purcellville Music and arts Festival is a fairly new event that requires increased support. The event originally called Rock the Field and had 200 – 500 attendees and needed little support from the Park Board Liaison. When the Park Board decided to change their event it became much larger and their need for support increased significantly.

- The position now has the responsibility of applying for and finding grants and awards such as the Visit Loudoun Tourism Grant, the Virginia Commission for the Arts grant, and the Keep Virginia Beautiful grant, the VRPS awards.

- This position works with a volunteer citizens group to manage the Community Garden and the Fourth of July Parade theme and awards. These are both new groups that have been created in last 2 years.

- Initially this position worked on the Painting Purcellville Green event with the Environmental Committee, that event has now grown into Hail to The Trail and is produced by partnership between the Town and the Nature Generation requiring increased support. I anticipate with the new environmental and tree and beautification committee combining that more support will be required in the future.

- This position now writes staff reports and attends and reports at Town Council meetings when needed.

- This position works with Public Works, Administration, and the supported boards and committees to prepare the Parks and Recreation budget for review and submittal.

With the increase in the responsibilities associated with this position over the past few years and the anticipated increases associated with event permitting, board program support and other administrative duties, more hours are needed to give all programs and responsibilities the attention that they need. There are two possible ways this can be addressed: Create a full time position from the already existing part time position or add another part time position to work alongside the already existing position in the department. If the decision is made to add another part time position I suggest splitting the responsibilities so that one position works on event coordination and details and the other is responsible for program administration and management.

Question: Parks and Recreation, line item 110-3150201-0000, it looks like you have a revenue proposed at 46,200, this year we are estimated to obtain 32,800 in revenue, why the 14k increase? Seems a bit high in my opinion unless there are sources of revenue I am unaware of. (3/28/16 Vice-Mayor McConville II)

Answer: When preparing the budget, as in the past year or two, we had hoped to recuperate some of our costs through a new lease arrangement with the County. This additional amount was to capture a small amount or partial year revenue from the County. Obviously, we've heard from the County but still believe there may be an opportunity to have a lease arrangement that includes some small lease payment for the facility.

Question: Why did the Parks and Rec Committee/expenditures get moved from General to Parks and Rec Fund? I would rather see all commissions/committees and boards together. The way it is set up currently it doesn't look like PRAB has a budget. (3/28/16 Vice-Mayor McConville II)

Answer: When the Town originally looked at creating the Fireman's Field Tax District, we went through the budget and looked at activities that were directly related to Fireman's Field and Parks and Recreation throughout the Town of Purcellville since the tax was going to be corporate limit wide. In doing so, many of the activities and functions that were handled by Parks and Recreation Advisory Board would normally fall under this type of taxing district or funding. As a result, we moved this committee and budget funding into the Parks and Rec Fund. Since we are now operating the Wine and Food Festival, Music and Arts Festival and several other programs at Fireman's Field, it made since initially to include this item but there is no specific requirement to leave the Parks and Recreation Advisory Board in the Parks and Rec Fund. If Town Council would want to move it back out to the General Fund, this could be done without any problem.

Question: Why is there a 5k increase in the Arts Committee? (3/28/16 Vice-Mayor McConville II)

Answer: The Arts Committee specifically developed a budget and requested the additional funds for the following purposes:

artwork movable exhibition panels for festivals, shows, exhibits $1,000; signage for artwork displayed $300; rack cards for businesses/artists $300; Public Art project (sculpture) $2,000; Town Hall exhibiting artist receptions $500; Art in the Train Station shows $1,000; Town Mural - Community Art Project (paint/design) $5,000; Purcellville Music and Arts Festival ($500 award money, $700 music, $300 misc.) $1,500; new program - series of 4 art lectures $1,000; Artisan Trail - participation in County-wide program $2,000; Town Art infrastructure (lighting and hanging system additions and improvements) $2,400; matching fund program for grant money to be awarded $3,000.

Question: Page 88 Parks & Rec skating rink decreases why? (3/27/16 Council member Nave)

Answer: Costs to operate the skating rink were reduced because some of those costs are borne by the contractor (the Purcellville Teen Center, Inc.). Other building maintenance is handled as needed by Town staff. Staff recognizes that there are large-scale maintenance repair items (such as a new floor) that would be shown as a CIP project and not in regular operating expenses.

Question: Adjustments and Transfers Detail (3/27/16 Council member Nave)

Answer: Parks and Rec- Adjustment and Transfer details can be found on page 126. The $432 Contingency/Surplus is a balancing number and is equivalent to excess in revenues over expenditures.

Question: Should TC have moved some of the GF fund balance to Parks and Rec when that fund was created? (3/15/16 Council member Lehr)

Answer: Parks and Rec is a Special Revenue Fund and a sub-fund of the General Fund created by Council's legislative action to establish the Fireman's Field Service Tax District, Chapter 74, Article VIII. This ordinance specifically requires: *"…The treasurer shall collect such special taxes levied within the district in the same manner as other town property taxes are collected. All taxes levied and collected pursuant to this article shall be kept in a separate fund and used to pay the costs of construction, installation maintenance and operation in connection with Fireman's Field, parks, recreational and cultural properties, including without limitation: (i) the acquisition and maintenance of real property and the acquisition, construction and maintenance of any improvement thereon; (ii) the acquisition and*

maintenance of equipment and other personal property devoted to the operation of such facilities; (iii) the payment of operational costs for the activities conducted at such facilities; (iv) the preservation of the Bush Tabernacle and other structures/facilities located at Fireman's Field. The tax rate adopted by the town council, which may be amended, shall be set forth on a schedule attached to this Code, and incorporated as if fully set forth herein…"

Therefore, Council may take action to move or recognize additional revenues into the Park and Rec fund (i.e. from General Fund reserves, event fees, rent on property, etc.); however, Fireman's Field Service Taxes levied and collected pursuant to the this ordinance may not leave the Parks and Rec fund nor be used for any purposes other than those specifically named in the ordinance. As such, it makes sense to leave the fund balance in the General Fund to provide maximum flexibility and not restrict its future use to only Parks and Rec needs.

UTILITY FUNDS

Question: Bulk Water program (7/14/16)

Answer: Questions/answers, history, current program, and cost and neighboring programs provided – Attachment 24.

Question: Can you tell me if there are any records that show details or comparisons on justification of the water sewer rate tiers. When I moved here I recall the 1 to 6k gallons changed to 1 to 5k. How did we get 17 tiers for commercial and why? This had to occur during Lazaro former council, and has council reviewed various tier options over the last 5 years, because I do not recall any public meetings reviewing these? Last two comparisons and narrative would be helpful to see if such changes could benefit residents. I just keep seeing the consultant printing growth or no growth which does NOT resolve decisions that brought us to the cliff with no plans for a bridge. (6/10/16 Council member Grim)

Answer: History of utility rates fy16-fy96 (shorter version of this is also found on page 59 of the budget document) and Town Manager historical rate information memo dated 2.28.05 provided – Attachments 25, 26 & 27.

Question: Where is documentation relating to the water sewer financial policy dating back when reserves were to be 150%, and changed to 100%. I asked Danny if the consultant showed this comparison along with the current suggestion showing 75%, although I would like to see the effects of 90% and 80% on the rates. (6/10/16 Council member Grim)

Answer: The Town's first Fiscal Policy Guidelines were first adopted in Oct. 2005 with the following- *The utilities fund undesignated fund balance at the close of each fiscal year should be equal to no less than 200% of operating revenues with a goal of 300% of operating revenues.*

This section of the policy was amended in Feb. 2014 to the following- *The total of the water and sewer utility funds unrestricted cash and equivalents at the close of each fiscal year should be equal to no less than 100% of the total of operating expenditures and debt service.*

Director of Finance Recommendation: I have concern about a 75% utility reserve level given the Town's current (1) high level of debt service payments as a percentage of overall operating expenditures, (2) the

fund's continued reliance on availability revenue to pay for ongoing expenditures including debt service. It would be risky to base our ability to pay the higher debt service of the future on the uncertain timing of availabilities (with the exception of Mayfair due to the contract).

Question: Utility Enterprise Debt Service Analysis 2013 spreadsheet was based on the figures provided back in 2013 right before the refinance was finalized. Can we have Davenport or Finance review and update to reflect most accurate picture with the 3 point comparison chart? (6/5/16 Mayor Fraser)

Answer: Davenport Report on Existing Utility Enterprise Debt Service 6.9.16 provided – Attachment 28

Question: Various questions for Davenport on the Utility Enterprise Fund. (6/5/16 Mayor Fraser)

1. **Last year we were provided with a water fund fee model that showed a 0% increase for 2016 followed by 3% annual increases from 2017 to 2025. Why does the updated model for this year show a 3% increase in 2017 followed by 7% increases from 2018 to 2021?**

2. **Last year during our budget cycle Davenport projected that with a 3% increase in the water fund fee for 2016 we would have an estimated $2,335,477 in revenue with $2,142,312 in expense resulting in $193,165 in surplus before debt service and capital expense. Davenport further projected that with a 0% increase in the water fund fee for 2016, which we adopted, we would have an estimated $2,282,461.00 in revenue with $2,142,312 in expense resulting in $140,149 in surplus before debt service and capital expense. Why is it with the 0% increase in the water fund fee for 2016 we actually realized more revenue ($2,375,599) and more surplus ($222,279) than was projected for a 3% increase in the water fund fee, even with higher than projected expense ($2,153,320)? We actually realized $82,130 more in surplus with 0% fee increase than with a 3% fee increase.**

3. **Last year we were provided with a waste water fee model that showed a 5% increase for 2016 followed by 5% annual increases from 2017 to 2019, then 4% increases from 2020 to 2025. Why does the updated model for this year show a 5% increase in 2017 followed by 7% increases from 2018 to 2021?**

4. **Last year during our budget cycle Davenport projected that with a 5% increase in the waste water fund fee for 2016, which we adopted, we would have an estimated $2,785,777 in revenue with $2,170,183 in expense resulting in $615,594 in surplus before debt service and capital expense. Why is it with the 5% increase in the waste water fund fee for 2016 we actually realized less than the projected revenue ($2,696,732), more than projected expense ($2,235,132) and less than projected surplus ($461,600)? We realized $153,994 less than projected surplus with $89,045 less than projected revenue, and $64,949 more than the projected expense.**

Answer: Responses from Eric Callocchia, Manager, Municipal & Financial Services Group (MFSG):

The timing of availabilities is much more front-loaded in the current projections, leaving significantly less revenue in out years (FY 2021 through FY 2023). This revenue now needs to come from rates in those years. Operating expenses are very similar, so there is minimal impact there. Capital expenses are actually lower in the new projections.

The main difference is the cash position that is the result of the projected rates - in last year's scenario, by FY 2023 the Town was projected to have about $3.5 million cash on hand, about 36% of annual operating expenses. In the new projections, the Town is projected to have over $12.8 million in cash, about 133% of annual expenses. Debt coverage is better in the new projections as well. I believe this shift in cash balance is due to the focus on the structural balance of the systems – having enough cash/user rate revenue to support the operations without dependence on availability fee revenue.

As for the questions regarding the projected vs. actual revenues/expenditures, I can say that it is nearly impossible for us to project exactly what the actual results will be even one year from now. We strive to be as accurate as possible, and we consider actuals within 3% of projections to be favorable and within 5% to be acceptable. All of the values presented in the Mayor's questions fall within the acceptable range. Availability revenues can be especially unpredictable in both magnitude and timing and can sometimes result in large surpluses that make it appear that the system is self-sustaining when in fact user rates are not supporting all of the system's expenses.

Because revenues and expenses depend on a multitude of different factors that we are unable to predict with absolute certainty, we take a long term view of the systems as a whole. We are confident that with annual adjustments we are able to maintain the financial health of the water and sewer systems, even if we are unable to predict exact dollar amounts year by year. (Multi Year Projection Updated Revised 8.12.14 and Multi-Year Projection Scenario 1 6.8.16 provided – Attachments 29 & 30

Note from staff: Because these models have many moving parts and unknowns, staff and MFSG are required to make assumptions about a number of variables. Council may wish to add a discussion item to a future agenda in order to provide direction to staff and MFSG regarding future utility model scenarios. Keep in mind, there is a cost associated with any consultant's involvement.

Question: On a broad calculation, average across-the-board rate, provide information on the average charge per gallon of water. (6/2/16 Council member Lehr)

Answer: Detailed information provided (using the total amount charged, total gallons used, and an average across-the board rate) – Attachment 31*

*Background Information for Attachment:

The first page shows:

- Total amount for the period of May 1, 2015 – May 1, 2016
- Same period with amounts broken down by In-Town and Out-of-Town (not including service charges)
- Same period with amounts broken down by Residential and Commercial

We did not break down In-Town/Out-of-Town in this calculation
Service charges are not broken out in our system by Residential/Commercial, so we provided both the usage charges and **an estimate** of the service charges (we currently have 2405 residential accounts, so we estimated based on that).

- Bulk Water Sales and Average Cost with Admin Fee

It's important to note that Bulk Water customers **Pre-Pay** their purchases – so most of these are on the old rate being used. The Administrative fee had currently been charged *per invoice*, so a customer pre-purchasing a large amount would see less of an impact of the Administrative fee.

The second page shows:

- Total Usage and Charges per Billing period
- Calculations for Average Charge per 1,000 gallons with:
  Usage Fees only
  Usage Fees AND Service Charges

The third page shows:

- For Period of May 1, 2015 – May 1, 2016, the breakdown of Sewer and Water Usage and Charges for that period, including designations for:
  In-Town/Out-of-Town
  Residential/Commercial
  Usage vs. Service Charges

Question: Is staff assuming that the cost to produce and deliver 1,000 gallons of water is the same across the board for all our customers? If so, why and what is that estimated cost? (6/3/16 Mayor Fraser)

Answer: Detailed information provided in Attachment 31 was a straight up math exercise to find an average amount paid per 1,000 gallons based on the amounts consumed and paid by users over a period of time (not an attempt to capture the cost of producing the water). There are multiple variables that go into the cost of producing the water. We can review that information again and provide it to Council. However, it calculates the cost of producing water at an average cost across all production –so the "cost per 1,000 gallons" is the same whether you use 10,000 gallons or 90,000 gallons. We do not factor in additional costs for "high" users vs. "low" users.

Question: Provide a list of users over 50,000 gallons per billing period. (6/2/16 Council member Lehr)

Answer: User list provided (excludes user names/addresses) – Attachment 32

Question: Chargebacks: What is the history of chargebacks for the last 5 years for both water fund and wastewater fund? (6/2/16 Council member Grim)

Answer: Chargeback History current back to inception (FY07) provided – Attachment 33

Question: Bulk Water Program – we are selling water now and need estimates. (3/31/16 Mayor Fraser)

Answer: Staff is projecting revenue for FY17 at $10K.

Question: Would like a list of unfunded mandates (3/30/16 Council member McCollum)

Answer: Water and Sewer regulatory requirement costs provided – Attachment 34

Question: Water Revenues line item 501-3810000-0000 and Wastewater revenues line item 502-3810000-0000 there is an increase in availabilities of 900k, how many availabilities is this and what projects are included? (3/28/16 Vice-Mayor McConville II)

Answer: Water and Sewer availability projections provided – Attachment 35

Question: What is the purchased water line item for 501-4012250-6015? (3/28/16 Vice-Mayor McConville II)

Answer: This is for purchasing water from the Marsh well on Short Hill Road.

Question: Page 11 Water Fund projected contingency/surplus of $1,341,905 made up of what? Need detail (3/27/16 Council member Nave)

Answer: This is a balancing number and is equivalent to excess in revenues over expenditures. The largest component of this difference is the one-time availability revenue expected from Mayfair that will allow the Town to replenish cash reserves and prepare for future debt service increases. Of the $1,341,905, $70,060 is truly contingency funds that may be required based on department head estimates for repairs, studies and other usual expenses that are difficult to accurately predict annually.

Question: Page 11 Wastewater Fund projected contingency/surplus $408,580 made up of what? Need detail (3/27/16 Council member Nave)

Answer: The largest component of this difference is the one-time availability revenue expected from Mayfair that will allow the Town to replenish cash reserves and prepare for future debt service increases. Of the $408,580, $80,700 is truly contingency funds that may be required based on department head estimates for repairs, studies and other usual expenses that are difficult to accurately predict annually.

Question: Page 45 Sewer system Capital expense moves to $2.44m in 2020 from $1.12 in 2019? (3/27/16 Council member Nave)

Answer: On page 45 the line Sewer System Capital Expenses/Existing Debt Service shows the current debt service following the reduced payment period of FY14-FY19 made possible by the 2013 bond restructuring (2013 bond proceeds used to make principal payments on the 08 VRA BSWF loan). Regular debt service payments resume in FY20 and FY21 as we begin paying principal on the 08 VRA loan again plus additional debt service associated with the 2013 restructuring. The chart on page 28 of the "Financial Graphs and Trends Data FY15" presentation from the Pre-Budget Meeting provides a graphic display of the debt service profile in the wastewater fund. One of the intents of the 2013 bond was to restructure the utility debt to free up cash, and allow more time for the Town to add more users and/or raise user rates in order for the fund to be self-sustaining.

Question: Page 89 Adjustments & Transfers on both funds why? More detail needed. (3/27/16 Council member Nave)

Answer: Refer to answers for Water Fund and Wastewater Fund Contingency Surplus. Reference to contingency/surplus found on page 11 of Budget Highlights and expenditure summaries pages 132 and 137.

Question: In years past, we have received a grid that showed the cost of water/sewer for the other municipalities. Can we have a copy of last year's and a copy with their new rates? (3/17/16 Council member Lehr)

Answer: Please remember most of the neighboring jurisdictions have a number of their customers paying out of town rates which are accounted for in the equation. Proposed rate increases for this fiscal year were not obtained from these jurisdictions, but even with the slight increase to the Town's rates, you will see we are highly competitive and lower than the average rate of most municipalities. Round Hill rates have been added to this response. (Water and sewer fees comparison table for the Town of Purcellville and surrounding jurisdictions provided - Attachment 36).

Question: Would like to see rate impact from MFSG for baseline plus Warner Brook alone (no Kline). (3/15/16 Council member Lehr)

Answer: With just Warner Brook alone (no Kline annexation), rates would be projected to increase 2% per year to have sufficient cash balance in FY25. (Rate impact provided – Attachment 37).

Question: Is there a way to model how many homes or businesses utility funds need to be self-sufficient? (3/15/16 Mayor Fraser)

Answer: This model is also included with Attachment 36. MFSG has projected that 30 connections would need to be added annually (after completion of Mayfair) in order to keep rates limited to 3% increases per year. Please note this is much more than what we expect with infill development (usually 2-5 connections per year due to infill).

Question: **Can Town waive availabilities? Are there bond covenants or other restrictions? (3/15/16 Council member Lehr)**

Answer (from Town Attorney): It is my opinion that Connection Fees may not be waived (or set to zero) for either an entire classification of user, or for only some who are within a class, with one exception: if the customer is a charitable organization who qualifies to receive a donation from the Town under Va. Code Section 15.2-953, then the Town could elect to waive a fee or charge for that customer, as a donation. See 2010 Va. AG 64. I recommend that such donations be authorized by a Resolution adopted by Town Council.

I base my opinion on State Code requirements for establishing connection fees and usage rates. Virginia Code requires that such fees and rates be "fair and reasonable" and "uniform for the same type, class, and amount" of use. See Va. Code § 15.2-2119. It is theoretically possible to set the fees and rates for all users who are within a classification of user, to "zero." However, it is doubtful that such a structure would be "fair and reasonable" because the cost of servicing those customers would necessarily be transferred to other customers, whose fees and rates would increase such that they were no longer a "fair and reasonable" reflection of the cost to provide the service.

Please note that certain jurisdictions, but not the Town of Purcellville, are expressly authorized to provide discounted water and sewer fees and charges for low-income, elderly, or disabled customers. See Va. Code § 15.2-2119.2. The Town could lobby the General Assembly to be added to the list of jurisdictions authorized to do this.

Tangentially, please further note that the revenue derived from any or all of such fees and charges is declared by statute to be "revenue of the sewage disposal system," and this provision has been in the

Code of Virginia since at least 1994. However, there is a 2003 opinion from the Attorney General concluding that a locality has the authority to transfer surplus water and sewer utility funds to the Town's general fund, which can then be spent on improvements unrelated to the water and sewer utility. The 2003 opinion includes a footnote, however, cautioning as follows: "Given the implicit requirement of reasonableness in setting fees and charges for the use of a town water and sewer utility, however, it is difficult to discern how the surplus you describe has been accumulated." I include this to highlight that there may be some ability under law to transfer surpluses from the water and sewer accounts to the Town's general fund; whether such transfers cause accounting difficulties or other difficulties should be explored.

I do not know whether there are bond covenants, and would need additional time to research that aspect of the question.

Question: Can Meals Tax be used to support utilities? (3/15/16 Mayor Fraser)

Answer: I find no legal reason why the Town cannot use Meals Tax revenues to support the utility fund. However, MFSG and Davenport agreed that this was not "best practices." The Town's auditor agreed that from an accounting perspective, meals tax should not be used to fund utility operations. Enterprise funds are intended to be "self-sustaining" without support from other revenue streams. Additionally, any Meals Tax revenues diverted to an enterprise fund leaves a loss of revenue in the General Fund, which must result in reduction of expenditures or increase of other General Fund revenues. (Auditor response provided – Attachment 38)

Question: Can the water and sewer enterprise funds be combined? (3/15/16 Mayor Fraser)

Answer: This is not recommended. Last year, staff checked with bond counsel (Chris Kulp, Hunton and Williams), auditor (Matt McLearen, Robinson, Farmer, Cox Assoc.) and the utility rate consultant (David Hyder, MFSG). The auditor did not advise this approach as some creditors (USDA, VRA) require separate accounting of utility funds and this approach would impair Town's ability to adequately track system costs to support rates. Bond counsel could find no restrictions with Town's current bonds but may be a problem for future loans. Staff's recommendation is to continue with two separate enterprise funds to (1) ensure adequate tracking of system costs in order to defend the Town's separate water and sewer user and availability rates, and (2) ensure cash reserves collected from availability payments are properly used to support debt or future capital projects. (MFSG response provided – Attachment 39)

ATTACHMENT 1

Town of Purcellville Virginia

STAFF REPORT
INFORMATION/ACTION

Item # [xx]

SUBJECT: 2015 Business License Analysis

DATE OF MEETING: October 27, 2015

STAFF CONTACTS: Connie LeMarr, Assistant Director of Finance
Elizabeth Krens, Director of Finance

SUMMARY and RECOMMENDATIONS:

Enclosed are the yearly analytical reports for business licenses. If further discussion and possible rate changes are under consideration a public hearing must be scheduled after notice in newspaper. Rate changes may be adopted same day as public hearing.
Staff does not have any recommendation for specific rate changes at this time.

BACKGROUND:

Each year the Finance department provides a business license analysis for Town Council review and discussion. All data is presented in aggregate as disclosure of individual business data is prohibited by VA Code § 58.1-3.

ISSUES:

In order to change license rates for 2016 a public hearing is required and rates must be adopted by December 31, 2015. The earliest public hearing date is Nov. 24, 2015 with additional Town Council meetings of Dec. 8th and 22nd for public hearing and/or action.

BUDGET IMPACT:

Revenue projections are provided for business category rate increases allowable however there is no budget impact unless Town Council adopts new license rates.

MOTION(S):

"I move that Town Council approve no changes to the existing business license rates for 2016."
OR
"I move that Town Council members review the attached analysis and direct staff to add this item to the November 10, 2015 Council meeting for further discussion."
OR

"I move that Town Council members review the attached analysis and direct staff to advertise a public hearing for the (*Nov. 24 or Dec. 8 or Dec. 22, 2015*) Council meeting to change the following rates:
(*List Rate TYPE & Proposed RATE)*."

ATTACHMENT(S):

1. Business License Year to Year Revenue Comparison with graphs
2. BPOL Rate Comparison by Locality & Code of VA Limitations with Revenue Projection of .01 cent increase to rates
3. Town of Purcellville Business License Rate History

TOWN OF PURCELLVILLE

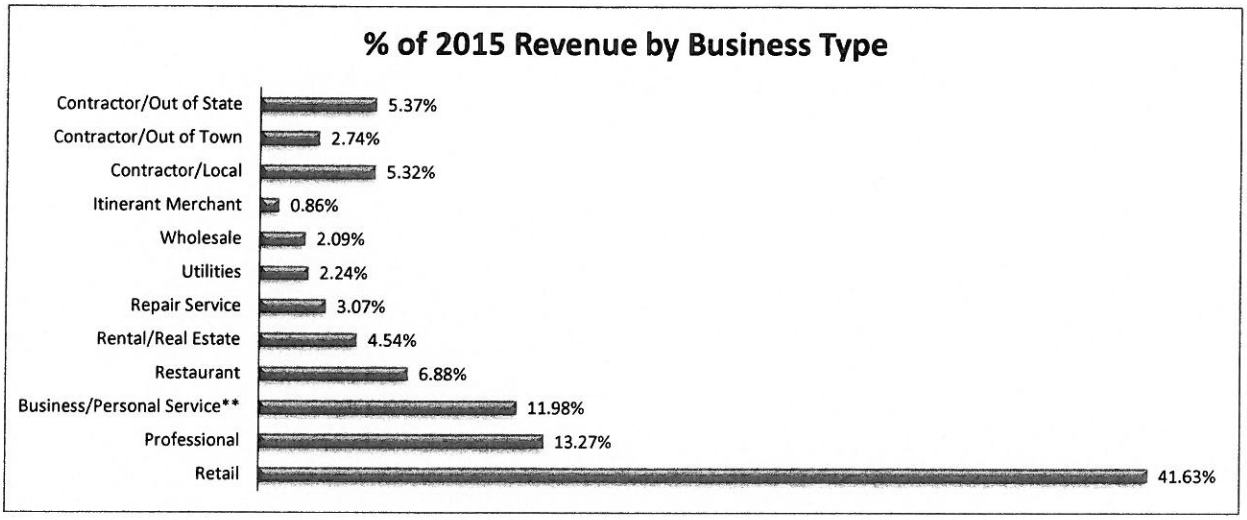
Business License Year to Year Revenue Comparison

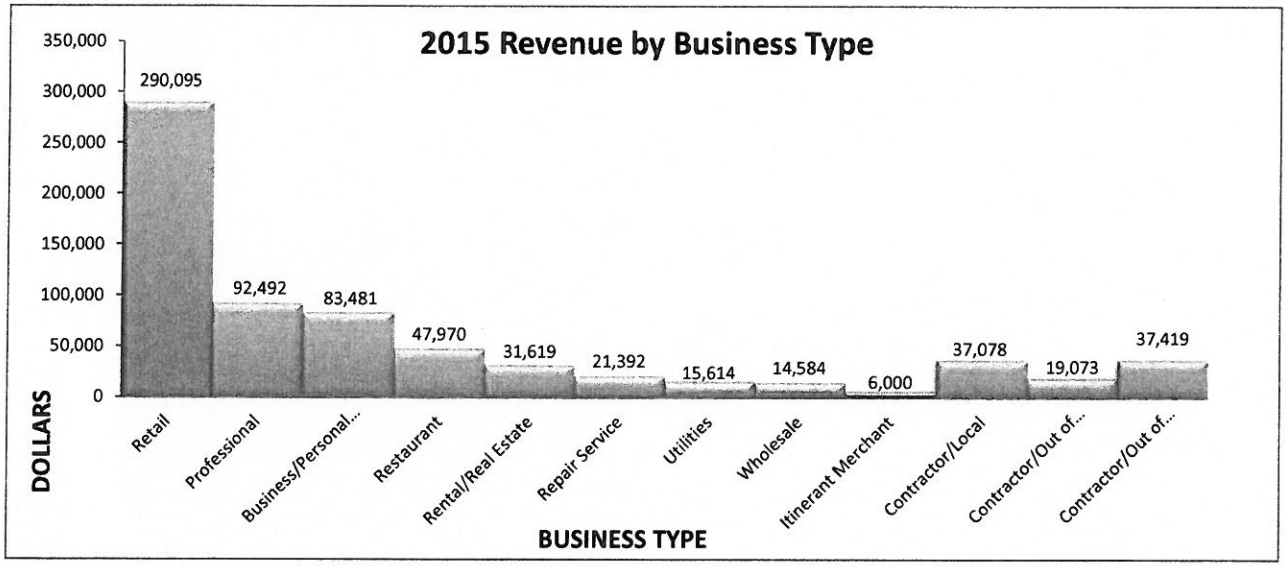
As of 10/15/2015

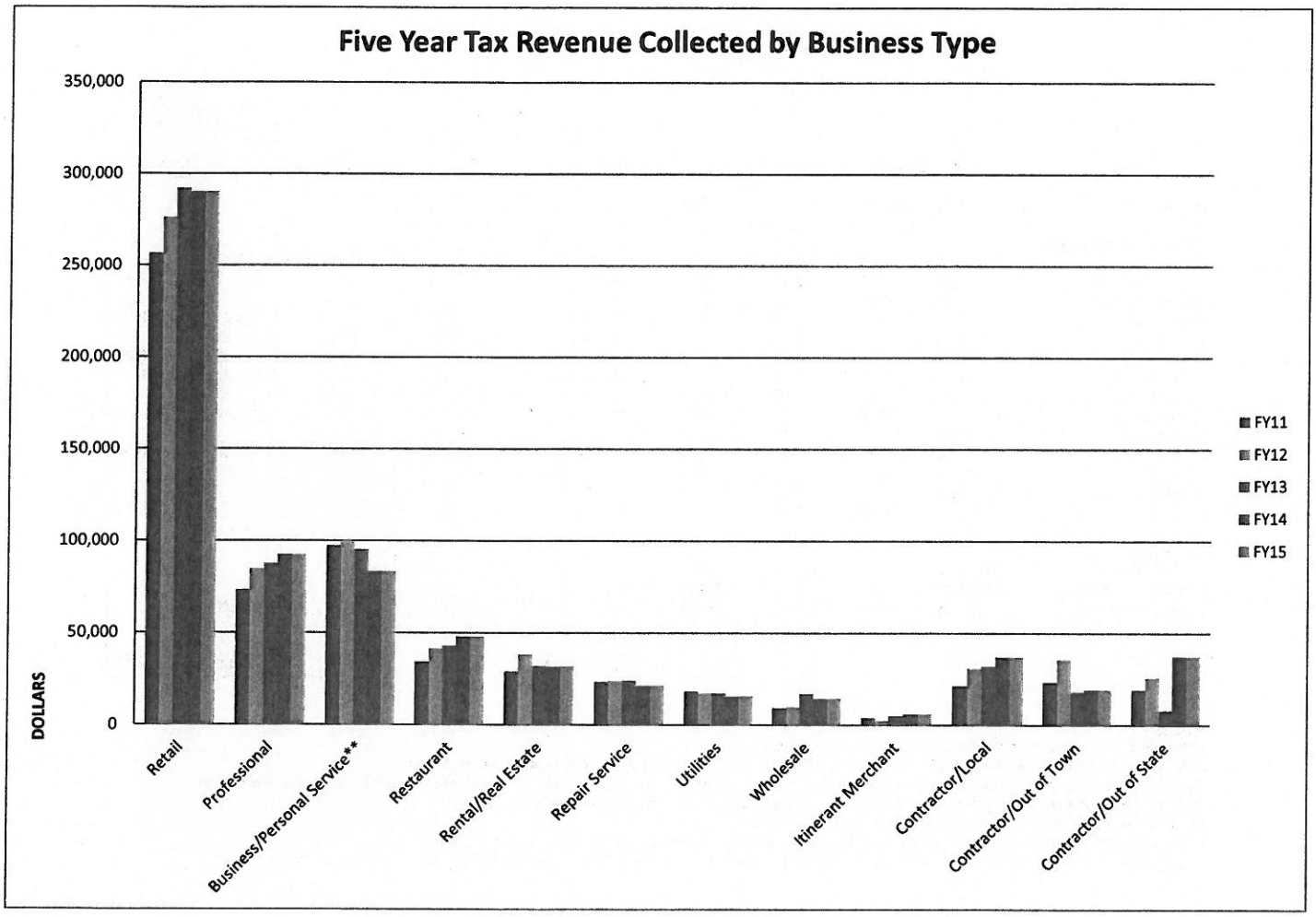
Business Type	2009 Tax	2010 Tax	2011 Tax	2012 Tax	2013 Tax	2014 Tax	2015* Tax	Revenue % of change 2014 to 2015	Category % of Total 2015 Revenue
	Historical					Current Analysis			
Retail	227,605	223,857	230,979	256,458	276,200	291,922	290,095	-0.63%	41.63%
Professional	58,697	62,663	67,766	73,359	84,758	87,652	92,492	5.52%	13.27%
Business/Personal Service**	87,367	89,882	84,804	97,452	99,150	95,348	83,481	-12.45%	11.98%
Restaurant	30,028	30,369	29,027	34,243	41,392	42,995	47,970	11.57%	6.88%
Rental/Real Estate	13,586	17,544	20,020	28,986	38,096	32,132	31,619	-1.60%	4.54%
Repair Service	16,422	19,550	24,762	23,496	23,877	24,084	21,392	-11.17%	3.07%
Utilities	10,182	19,836	19,262	18,459	17,384	17,298	15,614	-9.73%	2.24%
Wholesale	8,704	7,064	5,007	9,485	10,047	17,024	14,584	-14.33%	2.09%
Itinerant Merchant	3,000	2,000	3,000	4,000	2,500	5,050	6,000	18.81%	0.86%
Regular License Total	455,591	472,765	484,627	545,939	593,404	613,504	603,247	-1.67%	86.57%
Contractor/Local	19,968	13,200	16,874	21,283	30,676	32,051	37,078	15.69%	5.32%
Contractor/Out of Town	26,143	28,441	33,394	23,333	35,795	18,001	19,073	5.95%	2.74%
Contractor/Out of State	83,457	63,845	26,334	19,152	25,794	8,186	37,419	357.13%	5.37%
Contractor License Total	129,568	105,486	76,602	63,767	92,265	58,238	93,571	60.67%	13.43%
Grand Total License	**585,159**	**578,251**	**561,229**	**609,706**	**685,669**	**671,742**	**696,817**	**3.73%**	**100%**

**as of 10/15/15*

**Money Lending grouped with Business/Personal Service since only one business in Town


% of 2015 Revenue by Business Type
Contractor/Out of State
5.37%
Contractor/Out of Town
2.74%
Contractor/Local
5.32%
Itinerant Merchant
0.86%
Wholesale
2.09%
Utilities
2.24%
Repair Service
3.07%
Rental/Real Estate
4.54%
Restaurant
6.88%
Business/Personal Service**
11.98%
Professional
13.27%
Retail
41.63%


2015 Revenue by Business Type
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
DOLLARS
290,095
92,492
83,481
47,970
31,619
21,392
15,614
14,584
6,000
37,078
19,073
37,419
Retail
Professional
Business/Personal...
Restaurant
Rental/Real Estate
Repair Service
Utilities
Wholesale
Itinerant Merchant
Contractor/Local
Contractor/Out of...
Contractor/Out of...
BUSINESS TYPE


Five Year Tax Revenue Collected by Business Type
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
DOLLARS
Retail
Professional
Business/Personal Service**
Restaurant
Rental/Real Estate
Repair Service
Utilities
Wholesale
Itinerant Merchant
Contractor/Local
Contractor/Out of Town
Contractor/Out of State
FY11
FY12
FY13
FY14
FY15

BPOL Rate Comparison by Locality & Code of Virginia Limitations
Revenue Projection of .01 cent increase to rates

Category	Code Rate Limits	Leesburg	Lo. County	**Purcellville**	Purcellville **2014** Receipts	Purcellville **2014** Tax	***$.01 rate increase projection*** **$0.01 Rate Increase**	**Calculated Total Tax Revenue**	**Incremental Revenue Increase**
Minimum License Fee	30.00	20.00	30.00^	**20.00**					
Tax per $100 gross receipts:									
Retail	0.20	0.10	0.17	**0.17**	171,454,438	291,922	0.18	308,617.99	$ 16,695.81
Business Service*	0.36	0.20	0.17	**0.17**	55,387,261	95,348	0.18	99,697.07	$ 4,349.39
Personal Service*	0.36	0.20	0.23	**0.17**			0.18	-	-
Professional	0.58	0.20	0.33	**0.17**	51,382,785	87,652	0.18	92,489.01	$ 4,836.72
Restaurant	0.20	0.10	0.17	**0.17**	25,147,795	42,995	0.18	45,266.03	$ 2,271.09
Rental by owner	0.36	n/a	0.16	**0.17**	18,879,528	32,132	0.18	33,983.15	$ 1,850.96
Repair Serv.	0.36	0.15	0.16	**0.17**	14,166,843	24,084	0.18	25,500.32	$ 1,416.69
Public Utilities	*0.50*	0.50	0.50	***0.50***	3,531,792	17,298	*0.50*	17,297.80	-
Wholesale	*0.05*	0.075	0.05	***0.05***	34,037,211	17,024	*0.05*	17,023.76	-
Money Lenders**	0.58	0.16	0.16	**0.17**			0.18		
Building Contractors	0.16	0.10	0.13	**0.14**	41,265,355	58,238	0.15	61,898.03	$ 3,660.09
Hotel	0.36	0.23	0.23	**0.17**			-	-	-
Massage Therapy	0.36	0.20	0.23	**0.17**			-	-	-
Amusements		0.25	0.21	**n/a**				-	
								-	
Flat Tax Rates:								-	
Fortune Tellers	1,000.00	500.00	500.00	**500.00**		-	-	-	-
Carnivals (per Show)	1,000.00	n/a	n/a	**500.00**		-	-	-	-
Itinerant & Peddlers	500.00	250.00	500.00	***500.00***		5,050.00	-	5,050.00	-
Total					**415,253,008**	**671,742**		**706,823**	**$ 35,080.75**

NOTES:

Projection based on 2014 receipts as 2015 data is not yet complete

Code limits per Code of Virginia 58.1-3703, 3706, 3720, 3721, and 3728. ***Rates in Italics already at code maximum.***

Leesburg and the County are under different limitations due to their populations. Both also include additional flat tax rates for ABC/Mixed Beverages and coin operated amusements machines. And both license restaurants under the retail category.

*Business Service & Personal Service are combined in our system.

**Money Lenders receipts/tax revenue grouped with Business/Personal Service for reporting since only one business in town.

^Loudoun County has a fixed license fee of $30 for gross receipts under $200k and no fee for home based businesses with receipts under $4k.

Town of Purcellville

Business License Rate History

Business License:

Tax Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Building Contractor	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Retail	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Restaurant	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Financial	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Real Estate	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Professional	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Repair	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Personal Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Business Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Wholesale	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Rental/by Owner	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Public Utilities	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Hotel Motel	n/a	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Massage Therapy	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Direct Sellers >4k	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Carnivals/Amus	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Fortune-teller	n/a	n/a	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Itinerant Vendor	250.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Coliseum, Arenas	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1000.00/yr	1000.00/yr	1000.00/yr	1000.00/yr	1000.00/yr
Savings & loan, credit union	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50.00/yr	50.00/yr	50.00/yr	50.00/yr	50.00/yr
Photographer-non VA local												30.00/yr	30.00/yr	30.00/yr	30.00/yr	30.00/yr
Manufacturer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum License Fee:	$10 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min

STAFF REPORT

DATE: August 26, 2014

TO: Town Council

FROM: Connie LeMarr, Assistant Director of Finance

RE: Business License Analysis

Background
Each year the Finance department provides a business license analysis report for Town Council review and discussion. All data is presented in aggregate as disclosure of individual business data is prohibited by VA Code § 58.1-3. In order to change license rates for 2015 a public hearing is required and rates must be adopted by December 31, 2014.

Analysis
Attached are various reports showing historical revenue and year to year percentage changes. Finance is now presenting final 2013 and preliminary 2014 business license revenue by category (five additional months remain for new business license data in 2014). Additional reports show code limits, neighboring jurisdiction rates, and projected incremental revenue based on a one cent rate change per applicable category as well as over ten years Purcellville rate history by business type.

Budget Impact
Revenue projections are provided for business category rate increases allowable however there is no budget impact unless Town Council adopts new license rates.

Motion
"I move that Town Council approve no changes to the existing business license rates for 2015."

OR

"I move that Town Council members review the attached analysis and direct staff to add this item to the (*Insert desired meeting date here)* Council meeting for further discussion."

OR

"I move that Town Council members review the attached analysis and direct staff to advertise a public hearing for the (*select October or November*) Council meeting to change the following rates: (*List Rate TYPE & Proposed RATE)*."

TOWN OF PURCELLVILLE

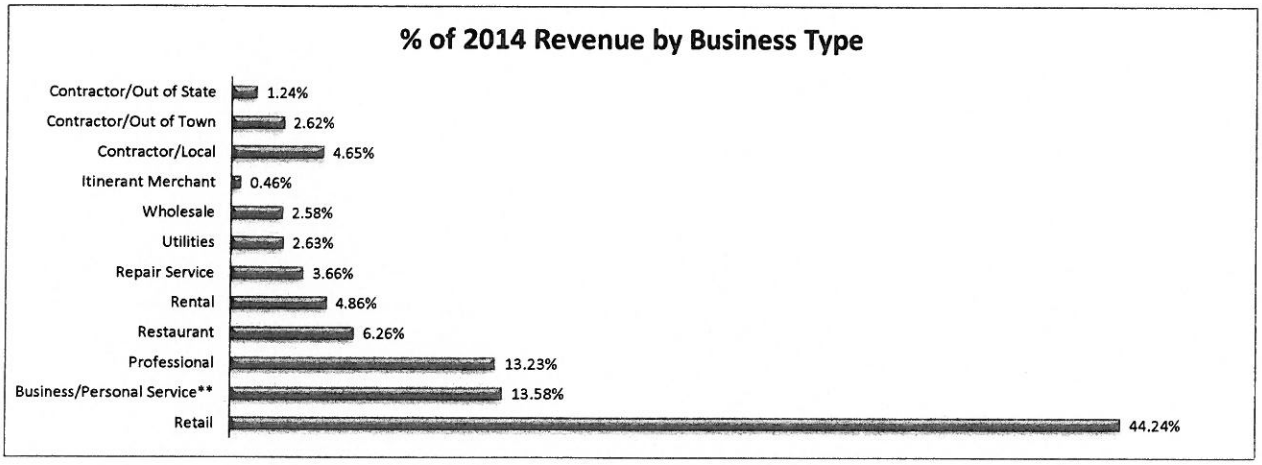
Business License Year to Year Revenue Comparison

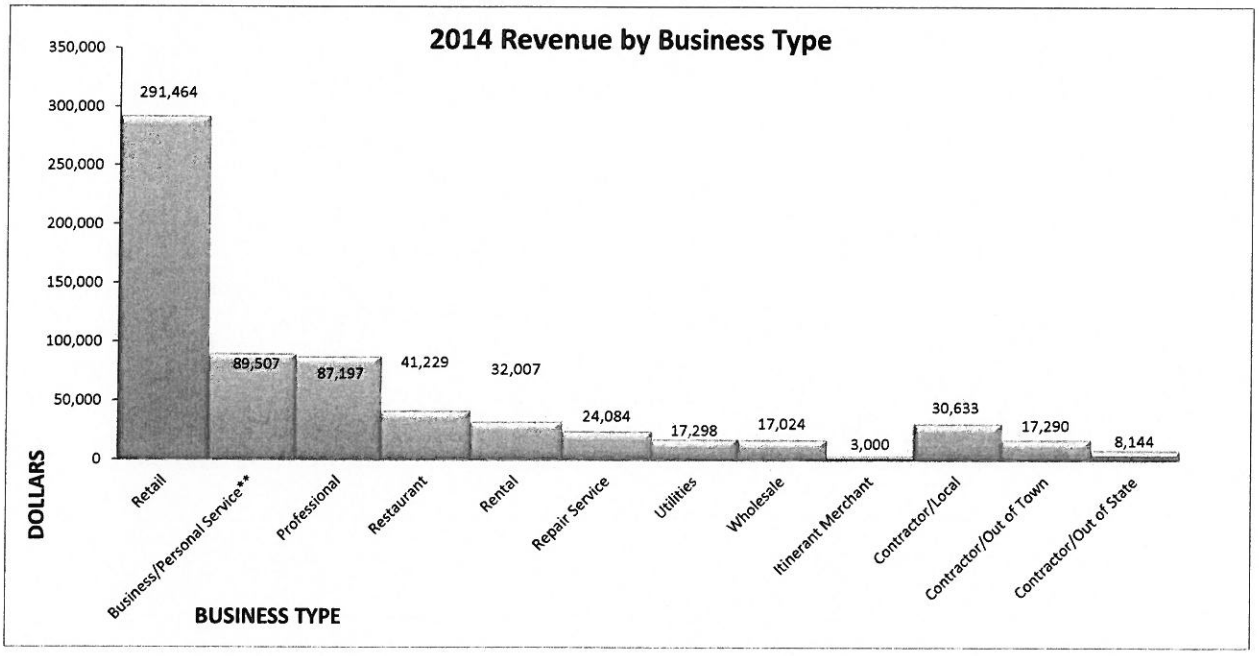
As of 8/1/2014

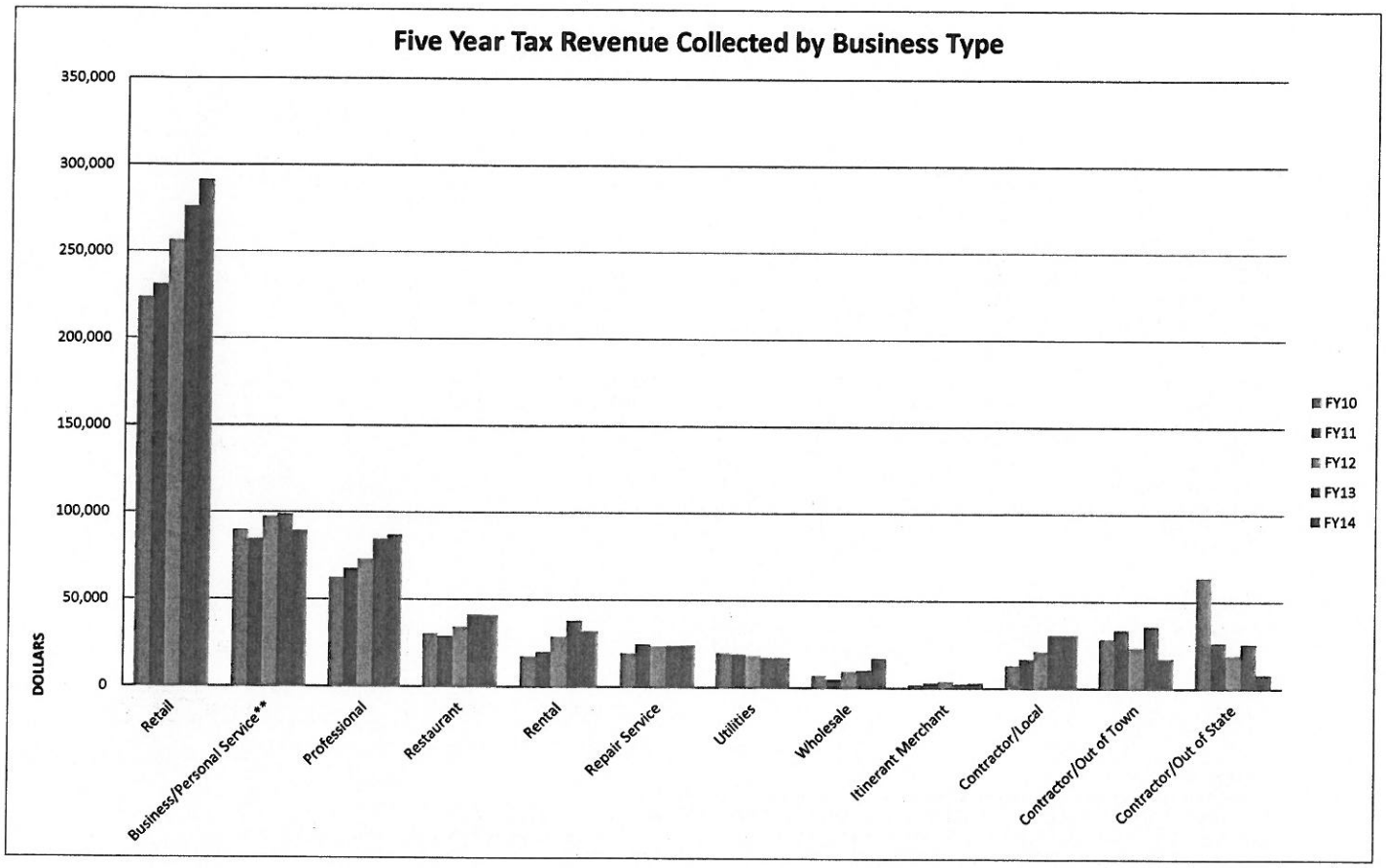
Business Type	2007 Tax	2008 Tax	2009 Tax	2010 Tax	2011 Tax	2012 Tax	2013 Tax	2014* Tax	Revenue % of change 2013 to 2014	Category % of Total 2014 Revenue
	Historical						Current Analysis			
Retail	187,329	223,756	227,605	223,857	230,979	256,458	276,200	291,464	5.53%	44.24%
Business/Personal Service**	109,617	89,138	87,367	89,882	84,804	97,452	99,150	89,507	-9.73%	13.58%
Professional	45,686	59,193	58,697	62,663	67,766	73,359	84,758	87,197	2.88%	13.23%
Restaurant	17,080	30,140	30,028	30,369	29,027	34,243	41,392	41,229	-0.39%	6.26%
Rental	16,665	14,783	13,586	17,544	20,020	28,986	38,096	32,007	-15.98%	4.86%
Repair Service	11,119	16,623	16,422	19,550	24,762	23,496	23,877	24,084	0.86%	3.66%
Utilities	26,169	12,368	10,182	19,836	19,262	18,459	17,384	17,298	-0.50%	2.63%
Wholesale	4,662	11,105	8,704	7,064	5,007	9,485	10,047	17,024	69.44%	2.58%
Itinerant Merchant	866	1,500	3,000	2,000	3,000	4,000	2,500	3,000	20.00%	0.46%
Regular License Total	419,194	458,607	455,591	472,765	484,627	545,939	593,404	602,809	1.58%	91.49%
Contractor/Local	26,991	44,632	19,968	13,200	16,874	21,283	30,676	30,633	-0.14%	4.65%
Contractor/Out of Town	84,763	56,719	26,143	28,441	33,394	23,333	35,795	17,290	-51.70%	2.62%
Contractor/Out of State	10,511	54,794	83,457	63,845	26,334	19,152	25,794	8,144	-68.43%	1.24%
Contractor License Total	122,265	156,145	129,568	105,486	76,602	63,767	92,265	56,067	-39.23%	8.51%
Grand Total License	**541,459**	**614,752**	**585,159**	**578,251**	**561,229**	**609,706**	**685,669**	**658,877**	**-3.91%**	**100%**

*as of 8/1/14

**Money Lending grouped with Business/Personal Service since only one business in Town


% of 2014 Revenue by Business Type
Contractor/Out of State
1.24%
Contractor/Out of Town
2.62%
Contractor/Local
4.65%
Itinerant Merchant
0.46%
Wholesale
2.58%
Utilities
2.63%
Repair Service
3.66%
Rental
4.86%
Restaurant
6.26%
Professional
13.23%
Business/Personal Service**
13.58%
Retail
44.24%


2014 Revenue by Business Type
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
DOLLARS
291,464
89,507
87,197
41,229
32,007
24,084
17,298
17,024
3,000
30,633
17,290
8,144
Retail
Business/Personal Service**
Professional
Restaurant
Rental
Repair Service
Utilities
Wholesale
Itinerant Merchant
Contractor/Local
Contractor/Out of Town
Contractor/Out of State
BUSINESS TYPE


Five Year Tax Revenue Collected by Business Type
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
DOLLARS
Retail
Business/Personal Service**
Professional
Restaurant
Rental
Repair Service
Utilities
Wholesale
Itinerant Merchant
Contractor/Local
Contractor/Out of Town
Contractor/Out of State
FY10
FY11
FY12
FY13
FY14

BPOL Rate Comparison by Locality & Code of Virginia Limitations
Revenue Projection of .01 cent increase to rates

Category	Code Rate Limits	Leesburg	Lo. County	**Purcellville**	Purcellville **2013** Receipts	Purcellville **2013** Tax	***$.01 rate increase projection*** **$0.01 Rate Increase**	**Calculated Total Tax Revenue**	**Incremental Revenue Increase**
Minimum License Fee	30.00	20.00	30.00^	**20.00**					
Tax per $100 gross receipts:									
Retail	0.20	0.10	0.17	**0.17**	161,128,725	276,200	0.18	290,031.70	$ 13,832.14
Business Service*	0.36	0.20	0.17	**0.17**	56,342,749	99,150	0.18	101,416.95	$ 2,267.24
Personal Service*	0.36	0.20	0.23	**0.17**			0.18	-	-
Professional	0.58	0.20	0.33	**0.17**	49,185,657	84,758	0.18	88,534.18	$ 3,775.73
Restaurant	0.20	0.10	0.17	**0.17**	23,692,087	41,392	0.18	42,645.76	$ 1,253.83
Rental by owner	0.36	n/a	0.16	**0.17**	23,825,709	38,096	0.18	42,886.28	$ 4,790.13
Repair Serv.	0.36	0.15	0.16	**0.17**	13,948,612	23,877	0.18	25,107.50	$ 1,230.25
Public Utilities	*0.50*	0.50	0.50	***0.50***	3,476,879	17,384	*0.50*	17,384.38	-
Wholesale	*0.05*	0.075	0.05	***0.05***	20,081,936	10,047	*0.05*	10,046.90	-
Money Lenders**	0.58	0.16	0.16	**0.17**			0.18		
Building Contractors	0.16	0.10	0.13	**0.14**	63,789,974	92,265	0.15	95,684.96	$ 3,419.89
Hotel	0.36	0.23	0.23	**0.17**			-	-	-
Massage Therapy	0.36	0.20	0.23	**0.17**			-	-	-
Amusements		0.25	0.21	**n/a**				-	
								-	
Flat Tax Rates:								-	
Fortune Tellers	1,000.00	500.00	500.00	**500.00**		-	-	-	-
Carnivals (per Show)	1,000.00	n/a	n/a	**500.00**		-	-	-	-
Itinerant & Peddlers	500.00	250.00	500.00	***500.00***		2,500.00	-	2,500.00	-
Total					**415,472,328**	**685,669**		**716,239**	**$ 30,569.21**

NOTES:

Projection based on 2013 receipts as 2014 data is not yet complete

Code limits per Code of Virginia 58.1-3703, 3706, 3720, 3721, and 3728. *Rates in Italics already at code maximum.*

Leesburg and the County are under different limitations due to their populations. Both also include additional flat tax rates for ABC/Mixed Beverages and coin operated amusements machines. And both license restaurants under the retail category.

*Business Service & Personal Service are combined in our system.

**Money Lenders receipts/tax revenue grouped with Business/Personal Service for reporting since only one business in town.

^Loudoun County has a fixed license fee of $30 for gross receipts under $200k and no fee for home based businesses with receipts under $4k.

Town of Purcellville

Business License Rate History

Business License:

Tax Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Building Contractor	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Retail	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Restaurant	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Financial	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Real Estate	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Professional	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Repair	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Personal Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Business Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Wholesale	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Rental/by Owner	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Public Utilities	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Hotel Motel	n/a	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Massage Therapy	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Direct Sellers >4k	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Carnivals/Amus	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Fortune-teller	n/a	n/a	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Itinerant Vendor	250.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Coliseum, Arenas	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1000.00/yr	1000.00/yr	1000.00/yr	1000.00/yr
Savings & loan, credit union	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50.00/yr	50.00/yr	50.00/yr	50.00/yr
Photographer-non VA local												30.00/yr	30.00/yr	30.00/yr	30.00/yr
Manufacturer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum License Fee:	$10 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min

INFORMATIONAL REPORT

DATE: September 24, 2013

TO: Town Council

FROM: Michelle Cornett, Finance Tax Technician
Connie LeMarr, Assistant Director of Finance

RE: Business License Analysis

Background

Each year the Finance department provides a business license analysis report for committee review and discussion. This report will show historical revenue and year to year percentage changes. Finance is now presenting final 2012 and preliminary 2013 business license revenue by category (five additional months remain for new business license data).

Analysis

In order to change license rates for 2014 a public hearing is required and rates must be adopted by December 31, 2013. Attached is an analysis showing code limits, neighboring jurisdiction rates, and projected incremental revenue based on a one cent rate change per applicable category. Reports also included are a historical review of license revenue and a ten years rate history by business type report.

Budget Impact

Revenue projections are provided for rate increases however there is no budget impact unless Town Council adopts new license rates.

Motion

"I move that Town Council approve no changes to the existing business license rates for 2014."

OR

"I move that Town Council members review the attached analysis and direct staff to advertise a public hearing for the (*select October or November*) Council meeting to change the following rates: < List Rate TYPE & Proposed RATE>."

OR

"I move that Town Council members review the attached analysis and direct staff to add this item to the October Council work session for further discussion."

BPOL Rate Comparison by Locality & Code of Virginia Limitations
Revenue Projection of .01 cent increase to rates
As of 8/1/2013

Category	Code Rate Limits	Leesburg	Lo. County	**Purcellville**	Purcellville 2013 Receipts	Purcellville 2013 Tax	*$.01 rate increase projection* $0.01 Rate Increase	Total Calculated Revenue	Total Revenue Increase
Minimum License Fee	30.00	20.00	n/a*	**20.00**					
Tax per $100 gross receipts:									
Retail	0.20	0.10	0.17- .20	**0.17**	161,210,185	276,235	0.18	290,178	13,943.01
Business Service^	0.36	0.20	.05 - .17	**0.17**		-	0.18	-	-
Personal Service^	0.36	0.20	0.23	**0.17**	59,246,651	103,857	0.18	106,644	2,787.01
Professional	0.58	0.20	0.33	**0.17**	49,940,519	86,043	0.18	89,893	3,849.45
Restaurant	0.36	0.10	0.17	**0.17**	23,039,683	40,268	0.18	41,471	1,203.54
Wholesale	*0.05*	0.075	0.05	***0.05***	21,141,240	10,577	*0.05*	10,571	-
Repair Serv.	0.36	0.15	0.16	**0.17**	13,948,612	23,877	0.18	25,108	1,230.25
Rental by owner	0.36	n/a	0.16	**0.17**	22,826,256	36,390	0.18	41,087	4,697.30
Public Utilities	*0.50*	0.50	0.50	***0.50***	3,476,879	17,384	*0.50*	17,384	-
Money Lenders^	0.58	0.16	0.16	**0.17**			0.18	-	-
Building Contractors	0.16	0.10	0.13	**0.14**	55,767,207	81,293	0.15	83,651	2,357.80
Hotel	0.36	0.23	0.23	**0.17**		-	-	-	-
Massage Therapy	0.36	0.20	0.23	**0.17**		-	0.18	-	-
Amusements		0.25	0.21	**n/a**				-	
								-	
Flat Tax Rates:								-	
Fortune Tellers	1,000.00	500.00	500.00	**500.00**		-	-	-	-
Carnivals (per Show)	1,000.00	n/a	n/a	**500.00**		-	-	-	-
Itinerant & Peddlers	500.00	250.00	500.00	**500.00**		2,500	-	2,500	-
Total					**$ 410,597,232** *as of 8/1/13*	**$ 678,425**		**708,487**	**$ 30,068.37**

NOTES:
Code limits per Code of Virginia 58.1-3703, 3706, 3720, 3721, and 3728. *Rates in Italics already at code maximum.*
^Business Service, Money Lending & Personal Service are combined in our system.
Leesburg and the County are under different limitations due to their populations. Both also include additional flat tax rates for ABC/Mixed Beverages and coin operated amusements machines.
*Loudoun County has a fixed license fee of $30 for gross receipts under $200k and no fee for home based businesses with receipts under $4k.

TOWN OF PURCELLVILLE

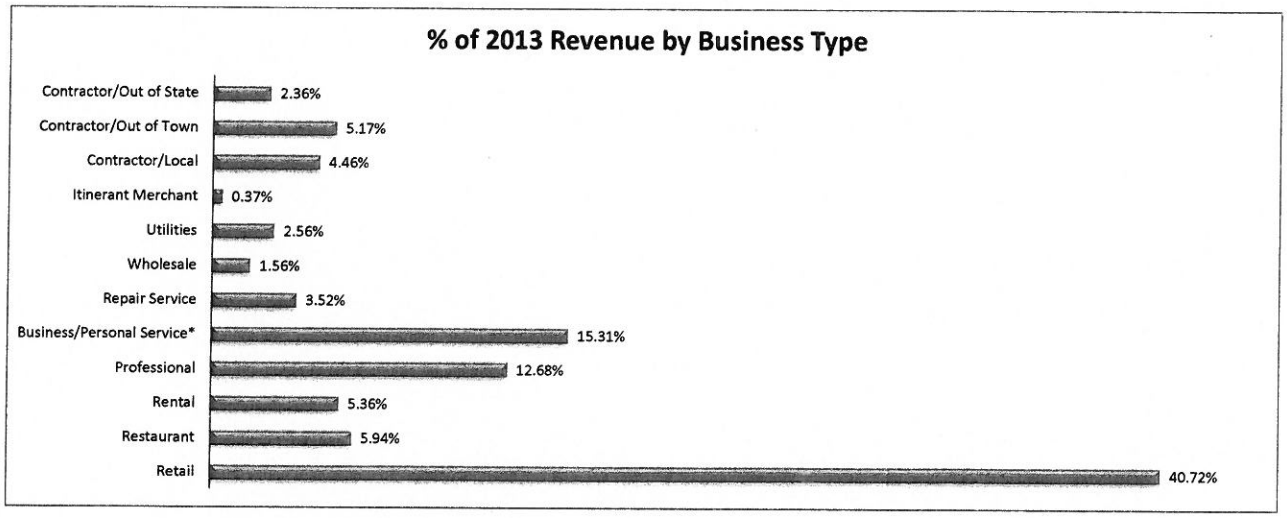
Business License Year to Year Revenue Comparison

As of 8/1/2013

Business Type	2006 Tax	2007 Tax	2008 Tax	2009 Tax	2010 Tax	2011 Tax	2012 Tax	2013* Tax	Revenue % of change 2012 to 2013	Category % of Total 2013 Revenue
	Historical						Current Analysis			
Retail	214,656	187,329	223,756	227,605	223,857	230,979	256,458	276,235	7.71%	40.72%
Restaurant	25,610	17,080	30,140	30,028	30,369	29,027	34,243	40,268	17.60%	5.94%
Rental	12,789	16,665	14,783	13,586	17,544	20,020	28,986	36,390	25.54%	5.36%
Professional	55,176	45,686	59,193	58,697	62,663	67,766	73,359	86,043	17.29%	12.68%
Business/Personal Service*	62,970	109,617	89,138	87,367	89,882	84,804	97,452	103,857	6.57%	15.31%
Repair Service	12,921	11,119	16,623	16,422	19,550	24,762	23,496	23,877	1.62%	3.52%
Wholesale	12,186	4,662	11,105	8,704	7,064	5,007	9,485	10,577	11.51%	1.56%
Utilities	7,931	26,169	12,368	10,182	19,836	19,262	18,459	17,384	-5.82%	2.56%
Itinerant Merchant	2,000	866	1,500	3,000	2,000	3,000	4,000	2,500	-37.50%	0.37%
Regular License Total	406,239	419,194	458,607	455,591	472,765	484,627	545,939	597,132	9.38%	88.02%
Contractor/Local	61,343	26,991	44,632	19,968	13,200	16,874	21,283	30,244	42.10%	4.46%
Contractor/Out of Town	32,697	84,763	56,719	26,143	28,441	33,394	23,333	35,058	50.25%	5.17%
Contractor/Out of State	68,121	10,511	54,794	83,457	63,845	26,334	19,152	15,992	-16.50%	2.36%
Contractor License Total	162,161	122,265	156,145	129,568	105,486	76,602	63,767	81,293	27.48%	11.98%
Grand Total License	**568,400**	**541,459**	**614,752**	**585,159**	**578,251**	**561,229**	**609,706**	**678,425**	**11.27%**	**100%**

*as of 8/1/13

*Money Lending grouped with Business/Personal Service since only one business in Town



Town of Purcellville

Business License Rate History

Business License:

Tax Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Building Contractor	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Retail	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Restaurant	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Financial	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Real Estate	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Professional	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Repair	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Personal Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Business Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Wholesale	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Rental/by Owner	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Public Utilities	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Hotel Motel	n/a	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Massage Therapy	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Direct Sellers >4k	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Carnivals/Amus	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Fortune-teller	n/a	n/a	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Itinerant Vendor	250.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Coliseum, Arenas	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1000.00/yr	1000.00/yr
Savings & loan, credit union	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50.00/yr	50.00/yr
Photographer-non VA local												30.00/yr	30.00/yr
Manufacturer	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum License Fee:	$10 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min

Town of Purcellville Virginia

INFORMATIONAL REPORT

DATE: September 25, 2012

TO: Town Council

FROM: Michelle Cornett, Finance Tax Technician
Connie LeMarr, Assistant Director of Finance

RE: Business License Analysis

Background

Each year the Finance department provides a business license analysis report for committee review and discussion. This report will show historical revenue and year to year percentage changes. Finance is now presenting final 2011 and preliminary 2012 business license revenue by category (four additional months remain for new business licenses to be issued).

Analysis

In order to change license rates for 2013 a public hearing is required and rates must be adopted by December 31, 2012. Attached is an analysis showing code limits, neighboring jurisdiction rates, and projected incremental revenue based on a one cent rate change per applicable category.

Budget Impact

Revenue projections are provided for rate increases however there is no budget impact unless Town Council adopts new license rates.

Motion

"I move that Town Council members review the attached analysis."

OR

"I move that Town Council members review the attached analysis and direct staff to advertise a public hearing for the November Council meeting to change the following rates: < List Rate TYPE & Proposed RATE>."

OR

"I move that Town Council members review the attached analysis and direct staff to add this item to the October Council work session for further discussion."

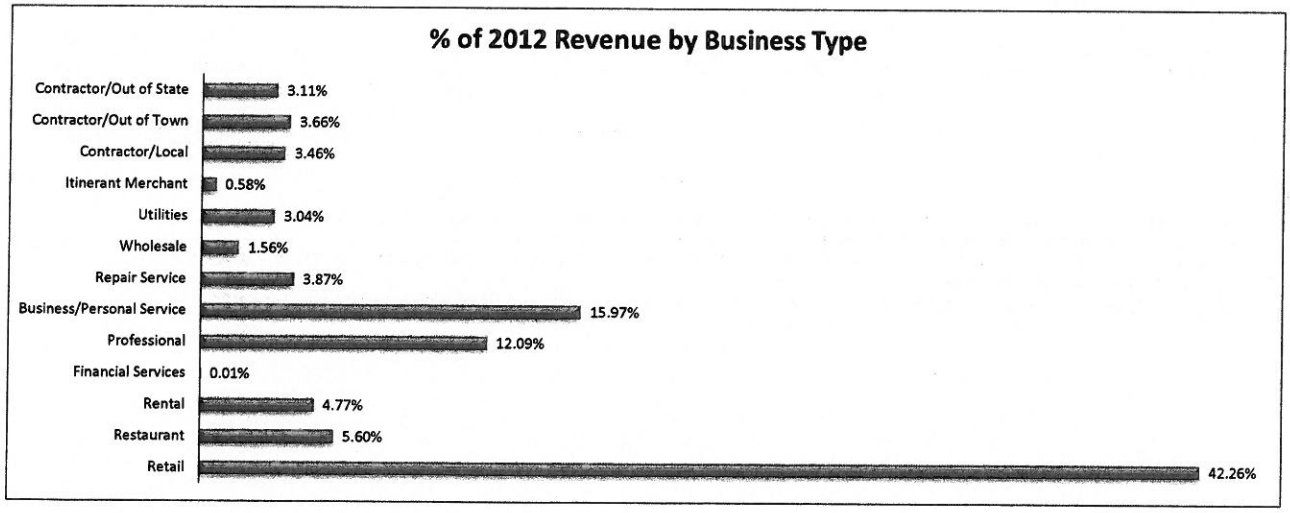
TOWN OF PURCELLVILLE

Business License Year to Year Revenue Comparison

As of 8/31/2012

Business Type	Historical 2005 Tax	2006 Tax	2007 Tax	2008 Tax	2009 Tax	2010 Tax	Current Analysis 2011 Tax	2012* Tax	Revenue % of change 2011 to 2012	Category % of Total 2012 Revenue
Retail	196,200	214,656	187,329	223,756	227,605	223,857	230,979	256,350	10.98%	42.26%
Restaurant	24,014	25,610	17,080	30,140	30,028	30,369	29,027	33,978	17.06%	5.60%
Rental	10,950	12,789	16,665	14,783	13,586	17,544	20,020	28,925	44.48%	4.77%
Financial Services	0	0	0	0	0	0	159	68	-57.31%	0.01%
Professional	53,079	55,176	45,686	59,193	58,697	62,663	67,766	73,339	8.22%	12.09%
Business/Personal Service	53,571	62,970	109,617	89,138	87,367	89,882	84,645	96,890	14.47%	15.97%
Repair Service	11,491	12,921	11,119	16,623	16,422	19,550	24,762	23,496	-5.11%	3.87%
Wholesale	17,493	12,186	4,662	11,105	8,704	7,064	5,007	9,485	89.44%	1.56%
Utilities	8,775	7,931	26,169	12,368	10,182	19,836	19,262	18,459	-4.17%	3.04%
Itinerant Merchant	3,000	2,000	866	1,500	3,000	2,000	3,000	3,500	16.67%	0.58%
Regular License Total	378,572	406,239	419,194	458,607	455,591	472,765	484,627	544,491	12.35%	89.76%
Contractor/Local	79,139	61,343	26,991	44,632	19,968	13,200	16,874	21,004	24.47%	3.46%
Contractor/Out of Town	99,040	32,697	84,763	56,719	26,143	28,441	33,394	22,201	-33.52%	3.66%
Contractor/Out of State	53,532	68,121	10,511	54,794	83,457	63,845	26,334	18,888	-28.28%	3.11%
Contractor License Total	231,711	162,161	122,265	156,145	129,568	105,486	76,602	62,092	-18.94%	10.24%
Grand Total License	**610,283**	**568,400**	**541,459**	**614,752**	**585,159**	**578,251**	**561,229**	**606,583**	**8.08%**	**100%**

*as of 8/31/12



BPOL Rate Comparison by Locality & Code of Virginia Limitations
Revenue Projection of .01 cent increase to rates
As of 8/31/2012

Category	Code Rate Limits	Leesburg	Lo. County	**Purcellville**	Purcellville **2012** Receipts	Purcellville **2012** Tax	***$.01 rate increase projection*** **$0.01 Rate Increase**	**Total Calculated Revenue**	**Total Revenue Increase**
Minimum License Fee	30.00	20.00	n/a*	**20.00**					
Tax per $100 gross receipts:									
Retail	0.20	0.10	0.17- .20	**0.17**	150,657,418	256,350	0.18	271,183.35	14,833.54
Business Service	0.36	0.20	.05 - .17	**0.17**		-	0.18	-	-
Personal Serv.	0.36	0.20	0.23	**0.17**	56,408,822	96,890	0.18	101,535.88	4,646.29
Professional	0.58	0.20	0.33	**0.17**	43,086,660	73,339	0.18	77,555.99	4,216.72
Restaurant	0.36	0.10	0.17	**0.17**	19,978,499	33,978	0.18	35,961.30	1,982.91
Wholesale	*0.05*	0.075	0.05	***0.05***	18,970,339	9,485	*0.05*	9,485.17	(0)
Repair Serv.	0.36	0.15	0.16	**0.17**	13,811,877	23,496	0.18	24,861.38	1,365.43
Rental by owner	0.36	n/a	0.16	**0.17**	16,991,436	28,925	0.18	30,584.58	1,659.16
Public Utilities	*0.50*	0.50	0.50	***0.50***	3,691,811	18,459	*0.50*	18,459.05	(0)
Money Lenders	0.58	0.16	0.16	**0.17**	39,929	68	0.18	71.87	3.99
Building Contractors	0.16	0.10	0.13	**0.14**	42,947,741	62,092	0.15	64,421.61	2,329.35
Hotel	0.36	0.23	0.23	**0.17**		-	-	-	-
Massage Therapy	0.36	0.20	0.23	**0.17**		-	0.18	-	-
Amusements		0.25	0.21	**n/a**				-	
								-	
Flat Tax Rates:								-	
Fortune Tellers	1,000.00	500.00	500.00	**500.00**		-	-	-	-
Carnivals (per Show)	1,000.00	n/a	n/a	**500.00**		-	-	-	-
Itinerant & Peddlers	500.00	250.00	500.00	***500.00***		3,500.00	-	3,500.00	-
Total					**366,584,532**	**606,583**		**637,620**	**$ 31,037.36**

NOTES:
Code limits per Code of Virginia 58.1-3703, 3706, 3720, 3721, and 3728. *Rates in Italics already at code maximum.*
Business Service & Personal Service are combined in our system.
Leesburg and the County are under different limitations due to their populations. Both also include additional flat tax rates for ABC/Mixed Beverages and coin operated amusements machines.
*Loudoun County has a fixed license fee of $30 for gross receipts under $200k and no fee for home based businesses with receipts under $4k.

Town of Purcellville

Business License Rate History

Business License:

Tax Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Building Contractor	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Retail	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Restaurant	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Financial	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Real Estate	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Professional	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Repair	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Personal Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Business Serv	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Wholesale	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Rental/by Owner	0.19	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Public Utilities	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Hotel Motel	n/a	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Massage Therapy	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Direct Sellers >4k	0.19	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Carnivals/Amus	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Fortune-teller	n/a	n/a	n/a	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Itinerant Vendor	250.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr	500.00/yr
Coliseum, Arenas	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1000.00/yr	1000.00/yr
Savings & loan, credit union	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50.00/yr	50.00/yr
Photographer-non VA local												30.00/yr	30.00/yr
Manufacturer	0	0	0	0	0	0	0	0	0	0	0	0	0
Minimum License Fee:	$10 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min	$20 min

Town of Purcellville Virginia

INFORMATIONAL REPORT

DATE: September 8, 2011

TO: Ways and Means Committee

FROM: Michelle Cornett, Finance Tax Technician
Connie LeMarr, Assistant Director of Finance

RE: Business License Analysis

Each year the Finance department provides a business license analysis report for committee review and discussion. This report will show historical revenue and year to year percentage changes. Finance is now presenting final 2010 and preliminary 2011 business license revenue by category (four additional months remain for new business licenses to be issued).

In order to change license rates a public hearing is required prior to December 31 of the year preceding the tax increase. Attached is an analysis showing code limits, neighboring jurisdiction rates, and projected incremental revenue based on a one cent rate change per applicable category.

TOWN OF PURCELLVILLE

Business License Revenue Comparison

As of 8/31/2011

Business Type	2004 Tax	2005 Tax	2006 Tax	2007 Tax	2008 Tax	2009 Tax	2010 Tax	2011* Tax	2010-2011 Percent Change	Percent Total Revenue
Retail	178,281	196,200	214,656	187,329	223,756	227,605	223,857	230,979	3.18%	41.16%
Restaurant	8,097	24,014	25,610	17,080	30,140	30,028	30,369	29,027	-4.42%	5.17%
Rental	18,242	10,950	12,789	16,665	14,783	13,586	17,575	20,020	13.91%	3.57%
Financial Services	0	0	0	0	0	0	2,925	159	-94.56%	0.03%
Professional	24,680	53,079	55,176	45,686	59,193	58,697	62,663	67,766	8.14%	12.07%
Business/Personal Service	72,215	53,571	62,970	109,617	89,138	87,367	89,838	84,645	-5.78%	15.08%
Repair Service	28,166	11,491	12,921	11,119	16,623	16,422	21,531	24,762	15.01%	4.41%
Wholesale	5,400	17,493	12,186	4,662	11,105	8,704	7,064	5,007	-29.12%	0.89%
Utilities	6,872	8,775	7,931	26,169	12,368	10,182	19,836	19,262	-2.89%	3.43%
Itinerant Merchant	4,457	3,000	2,000	866	1,500	3,000	2,000	3,000	50.00%	0.53%
Regular License Total	346,409	378,572	406,239	419,194	458,607	455,591	477,658	484,627	1.46%	86.35%
Contractor/Local	23,536	79,139	61,343	26,991	44,632	19,968	13,200	16,874	27.83%	3.01%
Contractor/Out of Town	81,725	99,040	32,697	84,763	56,719	26,143	28,433	33,394	17.45%	5.95%
Contractor/Out of State	3,969	53,532	68,121	10,511	54,794	83,457	63,696	26,334	-58.66%	4.69%
Contractor License Total	109,230	231,711	162,161	122,265	156,145	129,568	105,329	76,602	-27.27%	13.65%
Grand Total License	**455,639**	**610,283**	**568,400**	**541,459**	**614,752**	**585,159**	**582,987**	**561,229**	**-3.73%**	**100%**

*as of August 31, 2011

BPOL Rate Comparison by Locality & Code of Virginia Limitations
Revenue Projection of .01 cent increase to rates
As of 8/31/2011

Category	Code Rate Limits	Leesburg	Lo. County	**Purcellville**	Purcellville **2011** Receipts	Purcellville **2011** Tax	***$.01 rate increase projection*** **$0.01 Rate Increase**	**Total Calculated Revenue**	**Total Revenue Increase**
Minimum License Fee	30.00	20.00	n/a*	**20.00**					
Tax per $100 gross receipts:									
Retail	0.20	0.10	0.17- .20	**0.17**	135,779,446	230,979	0.18	244,403.00	13,424.00
Business Service	0.36	0.20	.05 - .17	**0.17**	49,279,417	84,645	0.18	88,702.95	4,057.95
Personal Serv.	0.36	0.20	0.23	**0.17**	-	-	0.18	-	-
Professional	0.58	0.20	0.33	**0.17**	39,769,504	67,766	0.18	71,585.11	3,819.11
Restaurant	0.36	0.10	0.17	**0.17**	17,087,010	29,027	0.18	30,756.62	1,729.62
Wholesale	0.05	0.075	0.05	**0.05**	10,015,026	5,007	0.05	5,007.51	0.51
Repair Serv.	0.36	0.15	0.16	**0.17**	14,566,203	24,762	0.18	26,219.17	1,457.17
Rental by owner	0.36	n/a	0.16	**0.17**	11,796,097	20,020	0.18	21,232.97	1,212.97
Public Utilities	0.50	0.50	0.50	**0.50**	3,852,467	19,262	0.50	19,262.34	0.33
Money Lenders	0.58	0.16	0.16	**0.17**	93,584	159	0.18	168.45	9.45
Building Contractors	0.16	0.10	0.13	**0.14**	54,759,431	76,602	0.15	82,139.15	5,537.15
Hotel	0.36	0.23	0.23	**0.17**	-	-	-	-	-
Massage Therapy	0.36	0.20		**0.17**	-	-	0.18	-	-
Amusements		0.25	0.21	**n/a**				-	
								-	
Flat Tax Rates:								-	
Fortune Tellers	1,000.00	500.00	500.00	**500.00**	-	-	-	-	-
Carnivals (per Show)	1,000.00	n/a	n/a	**500.00**	-	-	-	-	-
Itinerant & Peddlers	500.00	250.00	500.00	**500.00**	-	3,000	-	3,000.00	-
Total					**336,998,185**	**561,229**		**592,477**	**$ 31,248.26**

NOTES:
Code limits per Code of Virginia 58.1-3703, 3706, 3720, 3721, and 3728
Business Service & Personal Service are combined in our system.
Leesburg and the County are under different limitations due to their populations. Both also include additional flat tax rates for ABC/Mixed Beverages and coin operated amusements machines.
*Loudoun County has a fixed license fee of $30 for gross receipts under $200k and no fee for home based businesses with receipts under $4k.

ATTACHMENT 2

DAVENPORT & COMPANY

Town of Purcellville, Virginia

Overview of the Town's Financial Standing

November 12, 2014

Member NYSE|FINRA|SIPC

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2 Goals and Objectives

4 Overview of Davenport

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40 Next Steps

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Goals and Objectives

Goals and Objectives

1) Davenport & Company LLC ("Davenport") representatives formally introduce / reintroduce ourselves and our firm to the new Town of Purcellville Town Council.

2) Provide Town Council with a historic perspective of our role serving the Town for roughly a decade.

3) Provide a summary of the evolution of the Town's Financial Standing during the last decade or so.

4) Provide an overview of the Town's Credit Ratings and the importance of Credit Ratings.

5) Provide a series of proposed Next Steps for the Council as the fiscal year 2016 Capital Improvement / Budget planning season quickly approaches.

Overview of Davenport

Overview of Davenport & Company LLC

- Founded in 1863 as Virginia's "First Investment Firm," Davenport & Company LLC just celebrated its 150th Anniversary in 2013.

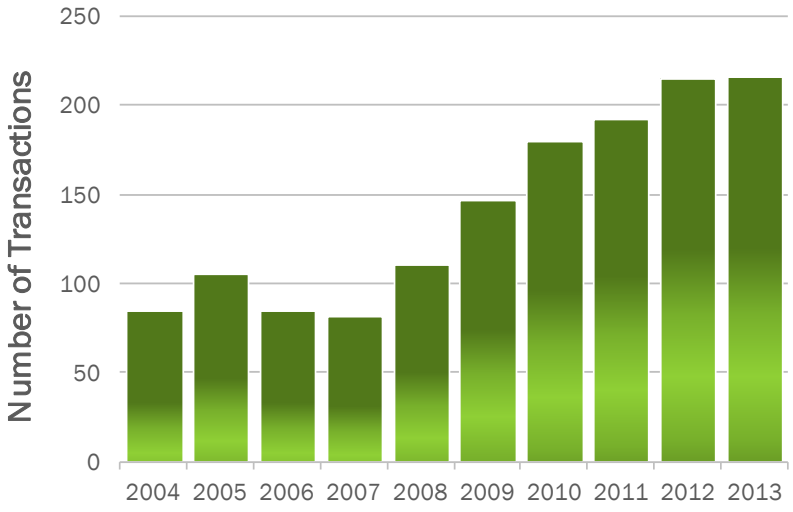
- Davenport is home to one of the largest groups of Public Finance professionals in the Mid-Atlantic region.

- Year in and year out, Davenport has consistently ranked first in the Mid-Atlantic region as a Financial Advisor to Public Finance Issuers.

- In 2013 Davenport completed more than $4.5 billion of transactions in Virginia, Maryland, North Carolina, South Carolina, Georgia, and Washington DC as Financial Advisor.

Davenport Activity

- In 2013 Davenport completed 216 Financial Advisory transactions totaling over $4.5 billion for clients across the Mid-Atlantic.



Source:Thomson Financial
Note: Does not include direct bank loan transactions.

Davenport Financial Advisory Transactions

	Volume (in $ Millions)	No. of Transactions
2013	4,516	216
2012	3,762	215
2011	2,771	193
2010	4,295	180
2009	3,715	147
2008	3,864	111
2007	3,306	82
2006	1,531	85
2005	2,267	106
2004	1,871	85

Regional Ranking

- Davenport is consistently ranked as the most active Financial Advisor to local governments within our market area.

Financial Advisor Transactions North Carolina, Virginia & Maryland							
Rank	Company	2009	2010	2011	2012	2013	Total
1	Davenport & Company LLC	52	61	35	60	57	265
2	Public Financial Management Inc	40	40	44	61	39	224
3	DEC Associates Inc	29	16	13	16	15	89
4	Public Resources Advisory Group	17	12	11	22	11	73
5	Caine Mitter & Associates Inc	10	12	11	10	8	51
6	BB&T Capital Markets	17	11	7	10	5	50
7	FirstSouthwest	9	11	12	7	10	49
8	Strategic Solutions Center	3	10	10	13	11	47
9	Public Advisory Consultants	9	7	7	9	12	44
10	Kaufman Hall & Associates Inc	6	7	2	10	4	29

Source:Thomson Financial
Note: Thomson data only includes transactions issued in the public marketplace. Does not include direct bank placements and other transactions not directly issued in the public markets.

Selected Clients Served[1]

Virginia

City of Alexandria, Alleghany County, Amelia County, Amherst County, Amherst County Service Authority, City of Bristol, Campbell County Utilities and Service Authority, Capital Region Airport Commission, Caroline County, Chesapeake Airport Authority, Culpepper County, Cumberland Plateau, Dinwiddie County, Dinwiddie County Water Authority, City of Emporia, Fairfax County Water Authority, City of Fairfax, Fauquier County, City of Franklin, Henrico County, Henry County Public Service Authority, Highlands Juvenile Detention Commission, City of Hopewell, King George County, Lancaster County, Loudoun County, Loudoun Water, City of Manassas, City of Martinsville, Montgomery County, Nelson County, City of Newport News, Northampton County, Northern Neck Regional Jail, Pittsylvania County, City of Poquoson, Powhatan County, Prince George County, Rappahannock Regional Jail Authority, Richmond Metropolitan Authority, City of Richmond, Rivanna Water and Sewer Authority, Rockbridge County, City of Salem, Southampton County, Southwest Virginia Regional Jail Authority, Spotsylvania County, City of Suffolk, Town of Abingdon, Town of Blacksburg, Town of Brookneal, Town of Culpeper, Town of Gate City, Town of Halifax, Town of Hillsville, Town of Leesburg, Town of Purcellville, Upper Occoquan Sewage Authority Virginia Resources Authority, Virginia Public School Authority, City of Waynesboro, Westmoreland County, City of Williamsburg,

Maryland

Maryland Transportation Authority
Maryland Community Dev. Auth.
MD Nat. Capital Parks & Plan
Carroll County
Town of Sykesville
Town of Somerset
Anne Arundel County
City of Frostburg
Allegany County
City of Frederick
Frederick County
Town of Emmitsburg
City of Taneytown
Harford County Board of Edu.
Town of Rising Son
Cecil County
Chesapeake City
City of Annapolis
Caroline County
Town of Easton
Worcester County
Town of North Beach
Town of Chesapeake Beach
Calvert County
St. Mary's County
Charles County
City of Bowie
City of College Park
Takoma Park
Montgomery County
Frederick Community College

North Carolina

State of North Carolina
NC Turnpike Authority
Barton College
Campbell University
Guilford College
Guilford County
City of Asheville
City of Burlington
City of Clinton
City of Goldsboro
City of Hickory
City of High Point
City of Kannapolis
City of Newton
City of Raleigh
City of Roanoke Rapids
City of Rocky Mount
City of Salisbury
City of Wilson
Town of Apex
Town of Cary
Town of Chapel Hill
Town of Clemmons
Town of Clayton
Town of Franklin
Town of Fuquay-Varina
Town of Garner
Town of Holly Springs
Town of Indian Trail
Town of Morrisville
Town of Wake Forest
Beaufort County
Bertie County
Chowan County
Edgecombe County
Gaston County
Granville County
Harnett County
Hertford County
Hoke County
Johnston County
Lee County
Lincoln County
MSD Buncombe Co.
Macon County
Martin County
Moore County
Nash County
New Hanover County
Orange County
Pender County
Perquimans County
Richmond County
Wake County
Washington County
Wayne County

(1) Includes current and/or former clients served since 1998.

Overview of the Davenport / Purcellville Relationship

- Professionals in Davenport's Public Finance Department have provided Financial Advisory services to the Town of Purcellville for roughly a decade.

- The Town has been serviced by Davenport's Richmond Office with support from Davenport's Leesburg office as needed.

- Historically, the Town's key day-to-day advisors included:

  - ✓ **David Rose** (Senior Vice President and Manager of Davenport Public Finance, 30+ years Experience in Public Finance);

  - ✓ **Kyle Laux** (First Vice President, 10+ years in Public Finance);

  - ✓ **Courtney Rogers** (Senior Vice President, 20+ years in Public Finance); and,

  - ✓ **Joseph Mason** (Leesburg, VA Office, Senior Vice President, formerly Senior Credit Executive at Fitch Ratings).

Historical Services Provided to the Town

- Coordinating the Process of Obtaining the Town's Inaugural Credit Ratings from the three National Credit Rating Agencies (Standard & Poor's, Moody's, and Fitch Ratings).
- Development / Updating Financial Policy Guidelines.
- Multi-Year Financial and Capital Planning (i.e. CIP Development, Tax Impact Analysis, Multi-Year Budget Projections).
- Debt Capacity Analysis.
- Debt and Cash Flow Affordability Analysis.
- Monitoring of Refunding Opportunities.
- Tracking of Outstanding Debt and Debt Service Payments.

Historical Services Provided to the Town (cont.)

- Execution of New Money and Refunding Transactions Using:
  - ✓ Competitively Bid Direct Bank Placements;
  - ✓ Virginia Resources Authority ("VRA") financing programs; and,
  - ✓ Publicly Issued General Obligation Bonds.

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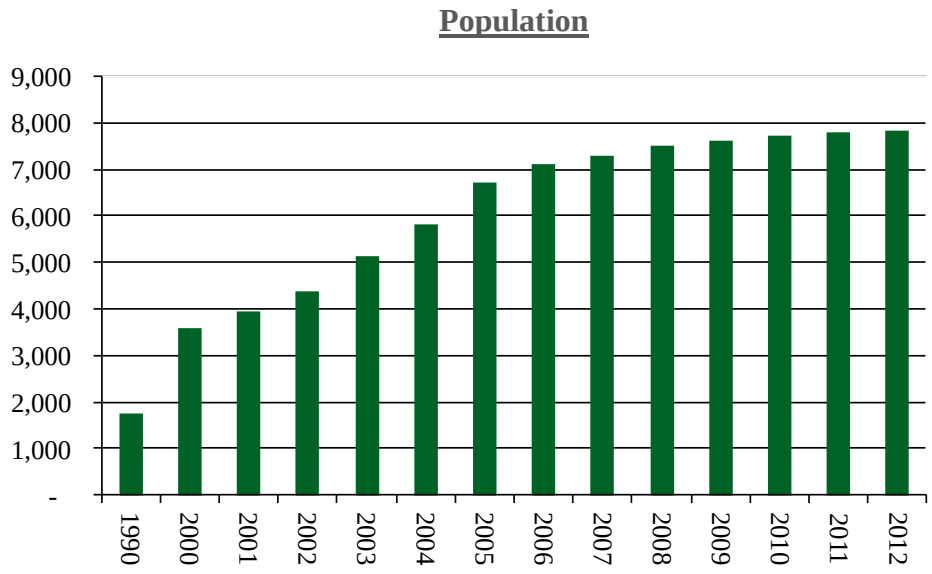
Historical Financial Perspective

Growth in Population

- The Town's population grew 350% during the last two decades.

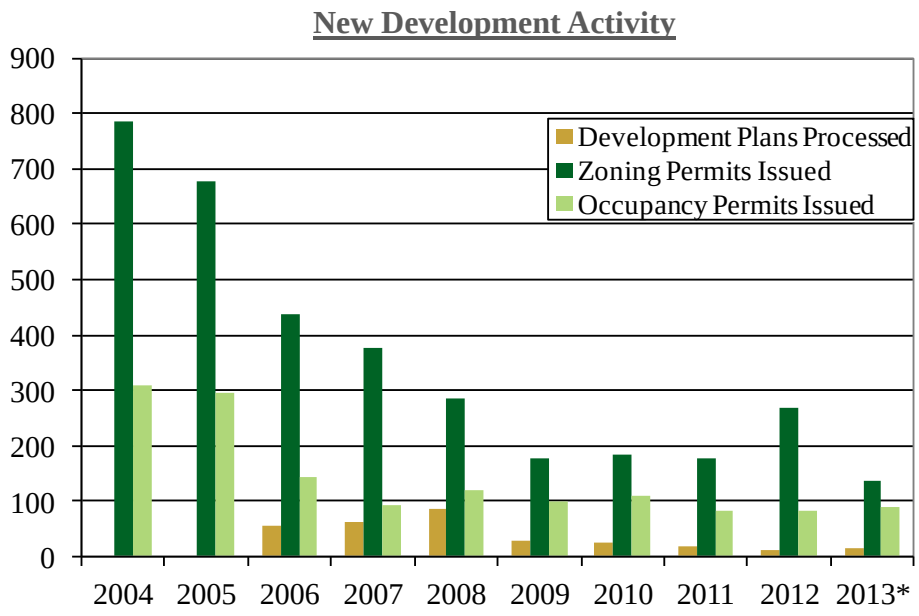


CY	Population	Growth
1990	1,744	-
2000	3,584	105.5%
2001	3,949	10.2%
2002	4,379	10.9%
2003	5,131	17.2%
2004	5,818	13.4%
2005	6,704	15.2%
2006	7,122	6.2%
2007	7,304	2.6%
2008	7,497	2.6%
2009	7,632	1.8%
2010	7,727	1.2%
2011	7,796	0.9%
2012	7,829	0.4%
Avg Ann. Growth '00-'12		6.7%

- *Census Bureau*

Development Activity

- The growth in the Town's population was tied directly to a historic amount of new development in the Town in the early and mid 2000's.



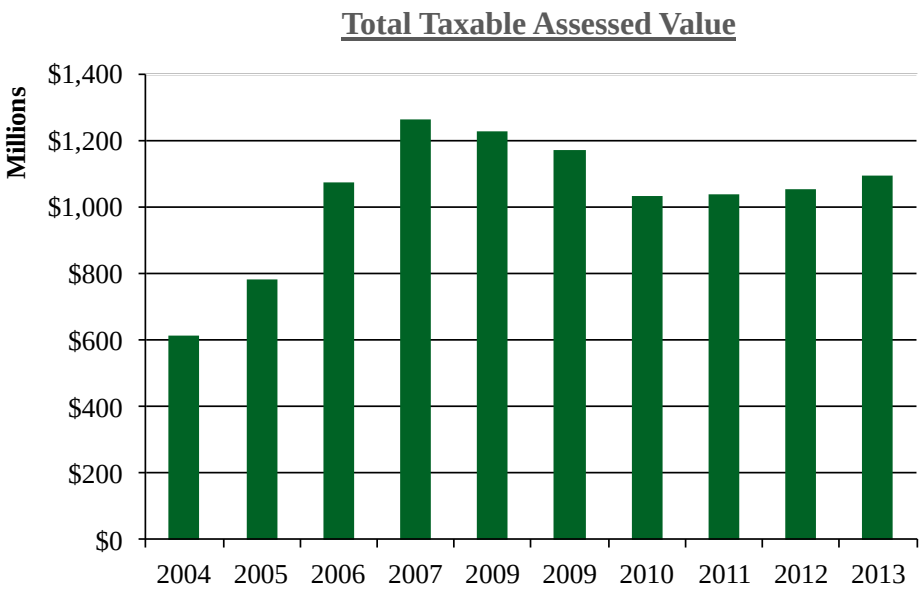
Fiscal Year	Occupancy Permits Issued	Zoning Permits Issued	Development Plans Processed
2004	310	786	N/A
2005	294	676	N/A
2006	144	436	54
2007	92	375	63
2008	120	286	85
2009	98	178	30
2010	108	183	26
2011	83	178	19
2012	82	268	13
2013*	90	137	15

**5 months*

- *Source: 2012 CAFR / Town Staff*

Growth in Assessed Value

- The Town's Total Assessed Value has grown almost 80% during the last decade.
- After declining during the National Economic Recession values appear to be growing albeit at a more modest pace.



FY	Total Taxable AV	Growth
2004	612,737,461	24.4%
2005	780,727,895	27.4%
2006	1,072,936,005	37.4%
2007	1,264,932,578	17.9%
2008	1,229,059,797	(2.8%)
2009*	1,169,285,882	(4.9%)
2010	1,030,415,383	(11.9%)
2011	1,035,787,109	0.5%
2012	1,055,212,930	1.9%
2013	1,095,227,302	3.8%
Avg Ann. Growth '04-'13		6.7%

**In FY 2009, the Personal Property Tax due date was changed, therefore two tax bill cycles are included.*

- *Source: 2012 CAFR / Town Staff*

Credit Ratings

Credit Rating Overview

- In the Summer / Fall of 2013 the Town obtained its inaugural Credit Ratings from the National Credit Rating Agencies. For purposes of the Municipal Credit Market the National Credit Rating Agencies are as follows:
  - Standard & Poor's;
  - Moody's Investors Service; and,
  - Fitch Ratings.

- The results of the rating process were highly favorable as all three National Credit Rating Agencies provided the Town with Strong Investment Grade Credit Ratings despite the Town's relatively modest population.

- The Town's Credit Ratings are as follows:

Standard & Poor's	**"AAA"**
Moody's Investors Service	**"Aa2"**
Fitch Ratings	**"AA"**

Credit Rating Description

- Descriptions of the Ratings by Each of the Rating Agencies are as Follows:

  - ✓ ***Standard & Poor's***
    - "AAA"— Extremely strong capacity to meet financial commitments. Highest Rating.

  - ✓ ***Moody's***
    - Issuers or issues rated "Aa" demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.

  - ✓ ***Fitch Ratings***
    - AA: Very high credit quality.
      'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

Credit Rating Scale

	Moody's	S&P	Fitch		
Top Tier "Highest Possible Rating"	Aaa	AAA	AAA		
2nd Tier "Very Strong"	Aa1	AA+	AA+	(Highest)	
	Aa2	AA	AA	(Middle)	
	Aa3	AA-	AA-	(Lowest)	
3rd Tier "Strong"	A1	A+	A+	(Highest)	Considered Investment Grade
	A2	A	A	(Middle)	
	A3	A-	A-	(Lowest)	
4th Tier "Adequate Capacity to Repay"	Baa1	BBB+	BBB+	(Highest)	
	Baa2	BBB	BBB	(Middle)	
	Baa3	BBB-	BBB-	(Lowest)	
5th – 10th Tiers "Below Investment Grade"	BB, B, CCC, CC, C, D				Below Investment Grade

Importance of a Credit Rating

- The National Credit Rating Agencies serve as a proxy for the Credit Market's view of a Local Government like the Town.

- Why do Credit Ratings matter?

  - Credit Ratings play a primary role in determining what interest rate(s) the Town is able to achieve when borrowing for New Money Projects and Refinancing existing debt.

  - Credit Ratings also send a signal to the business community about the Governance, Management, and Financial Health of a Local Government. This can be critical for Economic Development success.

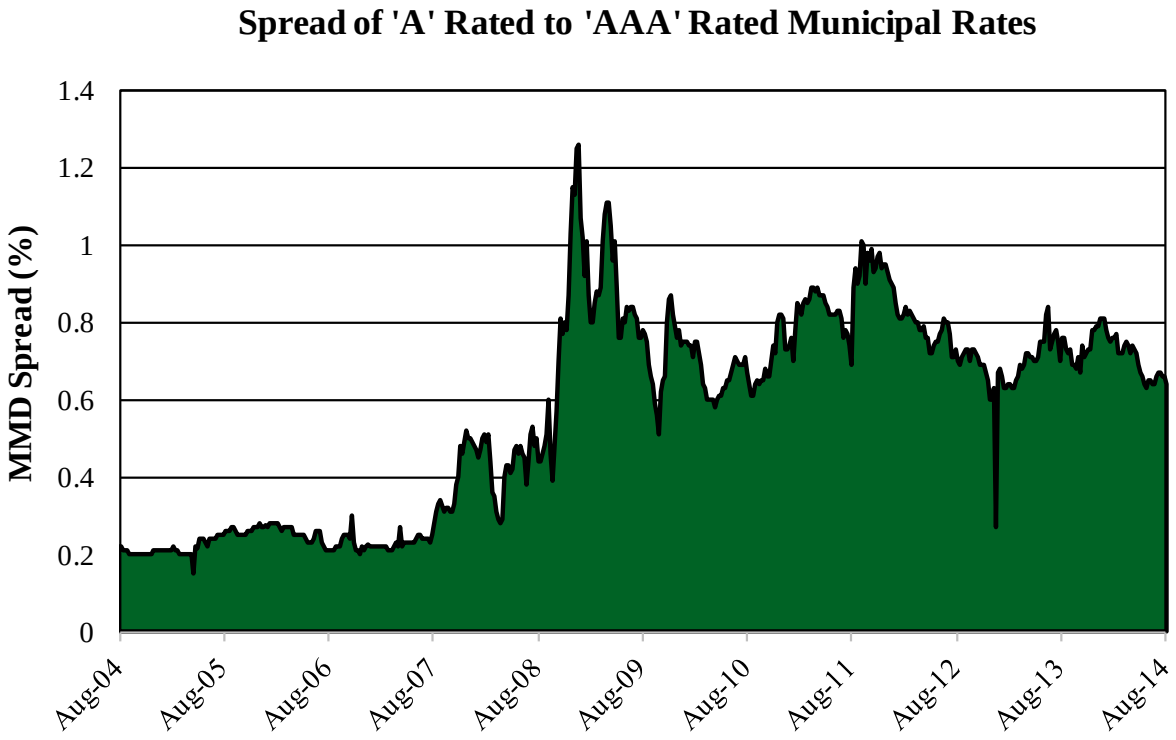
  - Strong access to the Credit Markets has translated to highly favorable interest rates, terms, and conditions for the Town for its New Money projects and when Refinancing for savings purposes.

  - Additionally, the National Credit Rating Agencies provide an independent, outside perspective on how the Town operates relative to other Local Governments in four criteria categories:

    1. **Local Economy;**
    2. **Finances;**
    3. **Debt; and,**
    4. **Management.**

Importance of a Credit Rating

- The difference between borrowing costs for a highly rated Local Government and a lower rated Local Government increased markedly after the 2008 financial crisis and has remained elevated since then.



Source: MMD Index

Rating Agency Commentary: S&P

- "The AAA rating reflects our opinion of the following factors for the town, specifically its:

  - **Very strong economy** that is deep and diverse with access to employment opportunities in the Washington metropolitan statistical area (MSA);

  - **Very strong budget flexibility** with fiscal year 2012 audited reserves at 39.1% of general fund expenditures;

  - **Strong budgetary performance** with a diverse revenue stream, consisting of property taxes that account for 28% of general fund revenue, followed by state aid at 12% and sales tax at 11%;

  - **Very strong liquidity**, providing very strong cash to cover debt service and expenditures;

  - **Very strong management** conditions with "strong" financial management policies and practices under our Finance Management Assessment (FMA) methodology, as well as historically consistent ability to maintain balanced budgets; and,

  - **Weak debt and contingent liability** profile driven mostly by elevated net debt as a percent of revenue and carrying charges."

- "The stable outlook reflects Standard & Poor's opinion of Purcellville's diverse and primarily residential property tax base with very strong economic indicators and direct access to the greater Washington MSA's employment base. The outlook also reflects our opinion of Purcellville's strong financial flexibility and strong operating performance. We believe that management will likely maintain, what we consider, its strong financial flexibility and performance and that it will likely **comply with its own comprehensive financial policies…."**

Rating Agency Commentary: Moody's

- "Moody's believes that the town's financial position will remain healthy, given the town's history of conservative fiscal management."

- "STRENGTHS
  - Sizeable reserves
  - Stable tax base with strong socio-economic indicators

- "CHALLENGES
  - Declining cash and reserve levels in utility system
  - Some exposure to economically sensitive revenues
  - Elevated debt burden

- "WHAT COULD MAKE THE RATING CHANGE UP
  - Substantial tax base growth and diversification

- WHAT COULD CHANGE THE RATING CHANGE DOWN
  - Declines in liquidity and/or fund balances to levels that exceed current expectations
  - Reliance on general fund reserves to supplement utility funds.
  - Economic stagnation that impedes tax base growth."

Rating Agency Commentary: Fitch

- "**SOUND FINANCIAL POSITION:** General fund reserves and liquidity have been maintained at a high level for an extended period. Operations have been generally stable. Revenues are diverse and provide good flexibility to management."

- "**STRONG ECONOMIC METRICS**: Town income levels are very high reflecting the highly educated nature of the labor force and proximity to vibrant labor markets in the Northern Virginia area."

- "**MANAGEABLE LONG TERM LIABILITIES**: Debt metrics are moderate and the town has limited capital needs. The bulk of outstanding GO Bonds have been issued for utility improvements; however, utility operations have not been self supporting."

- **"The Rating is sensitive to the Town's ability to effectively address the utility system's operating deficits in the context of continued sound financial management."**

Comparative Analysis

Peer Comparatives

- The following pages contain peer comparatives using data from Moody's Municipal Financial and Ratio Analysis database. The comparative figures shown are derived from FY 2013 financial statements* available as of November 5, 2014.

- The selected comparatives are based on the below Moody's rating categories.

  - **National** Towns and Cities with populations less than or equal to 30,000.
    - Aaa Total of 74 Localities Nationally
    - Aa1 Total of 110 Localities Nationally
    - Aa2 Total of 474 Localities Nationally

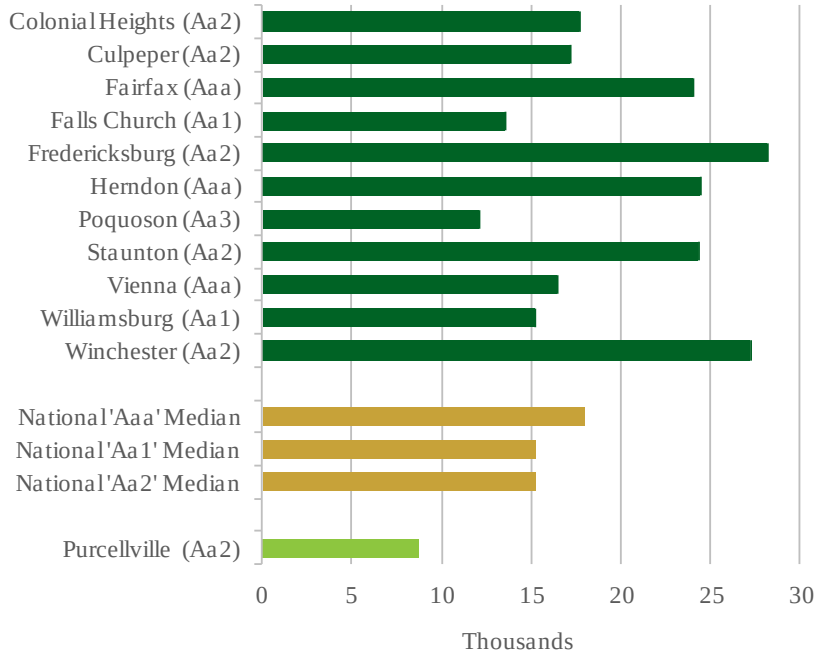
  - **Virginia** Towns and Cities with ratings of Aa2 or above** and populations less than or equal to 30,000 (summarized at right).

Locality	Population Estimate	Moody's Rating	S&P Rating	Fitch Rating
Colonial Heights	17,634	Aa2	AA	AA
Culpeper	17,145	Aa2	AA	--
Fairfax	23,973	Aaa	AAA	--
Falls Church	13,508	Aa1	AAA	AAA
Fredericksburg	28,132	Aa2	AA+	AA+
Herndon	24,446	Aaa	AAA	--
Poquoson	12,104	Aa3	AAA	--
Staunton	24,350	Aa2	AA-	--
Vienna	16,370	Aaa	AAA	--
Williamsburg	15,206	Aa1	AAA	--
Winchester	27,216	Aa2	AAA	--
Purcellville	**8,606**	**Aa2**	**AAA**	**AA**

*Data for the Town of Herndon is from FY 2012 audited financials.
**The City of Poquoson is included because it has a AAA S&P rating.
Source: Moody's Investors Service

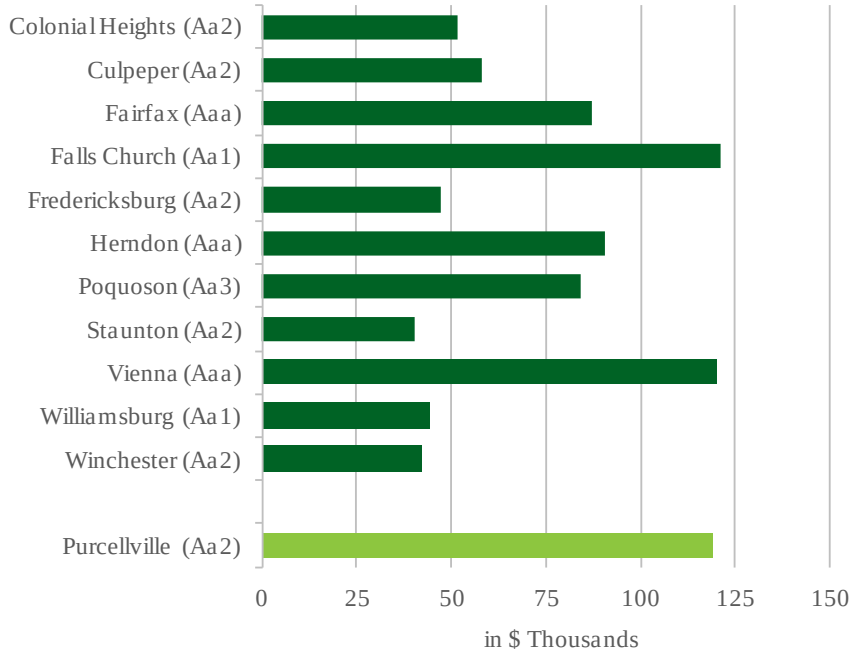
Peer Comparatives: Demographic Statistics

Estimated 2013 Population



- Estimated Population
  - 2013 Estimate: 8,606

Median Household Income



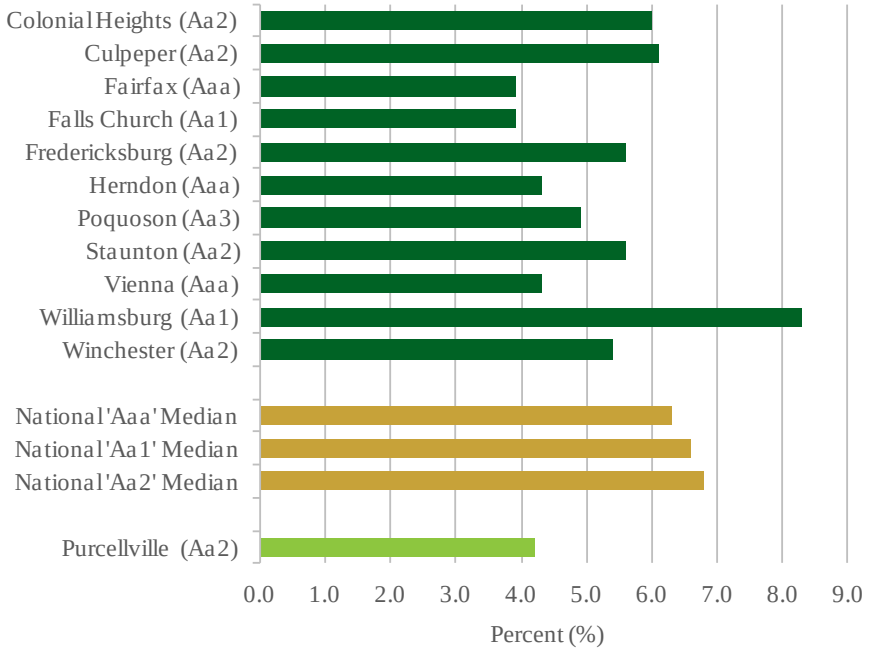
- Median Household Income
  - 2012: $119,200

Sources: Census Bureau. Data for national rating category averages from 2010 Census estimates, per Moody's MFRA database.

Sources: Census Bureau Small Area Income and Poverty Estimates. Data for Culpeper, Herndon, Vienna, and Purcellville are for 2008-2012 per Census Bureau.

Peer Comparatives: Demographic Statistics

Unemployment Rate

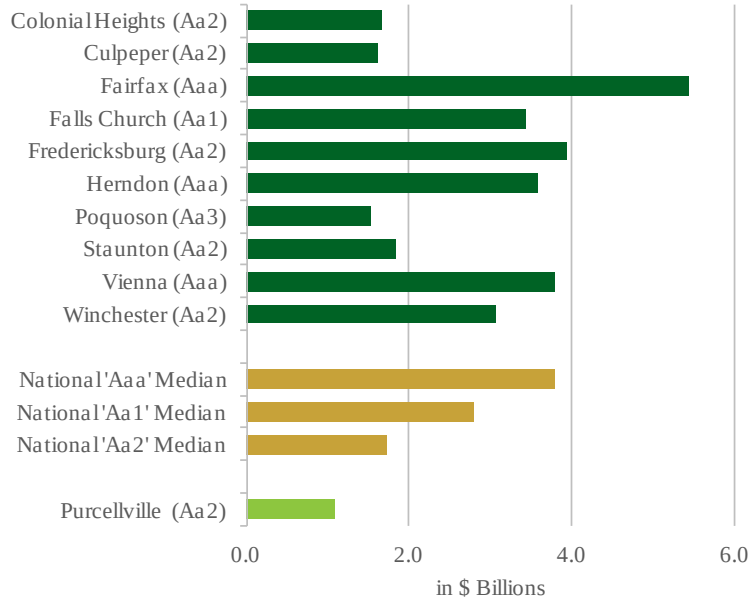


- Unemployment Rate
  - 2013 4.20%

Sources: Moody's MFRA database and Virginia Local Area Unemployment Statistics. Purcellville data for Loudoun County, Herndon and Vienna data for Fairfax County, and Culpeper data from the Town's FY 2013 CAFR.

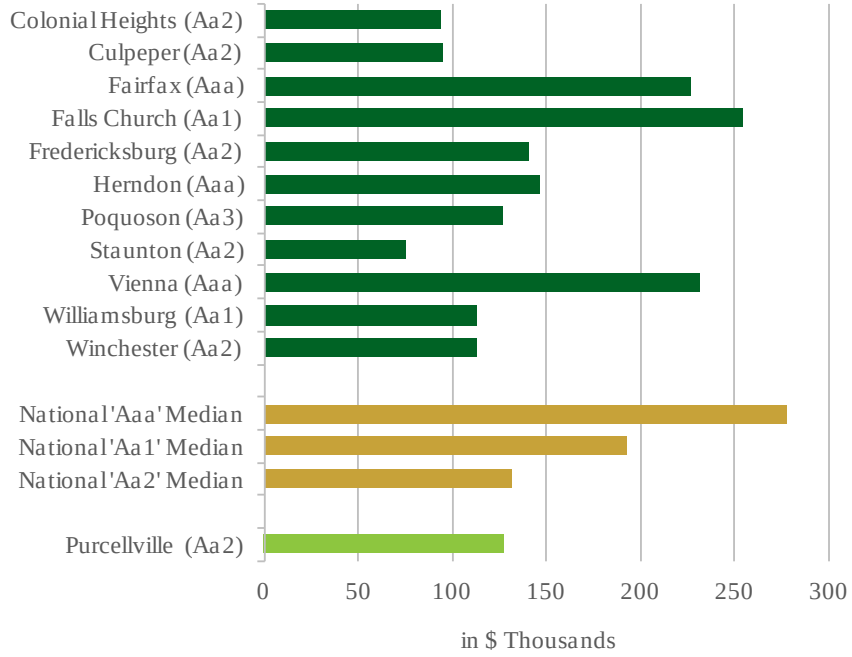
Peer Comparatives: Tax Base

Assessed Value



- Assessed Value
  - 2013: $1,095,227,302

Assessed Value Per Capita



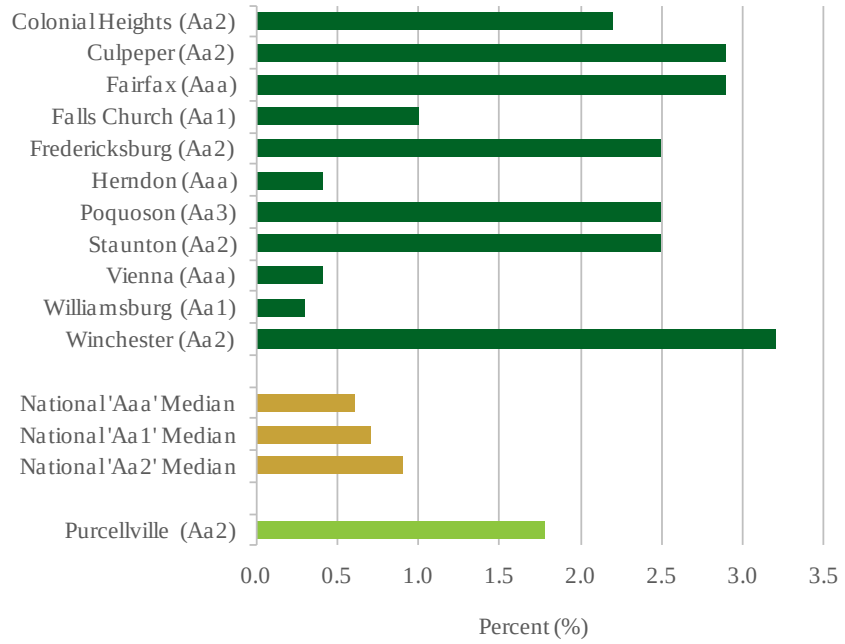
- Assessed Value Per Capita
  - 2013: $127,263

Sources: Moody's MFRA Database.

Sources: Census Bureau. Data for national rating category averages from 2010 Census estimates, per Moody's MFRA database.

Peer Comparatives: Debt Ratios

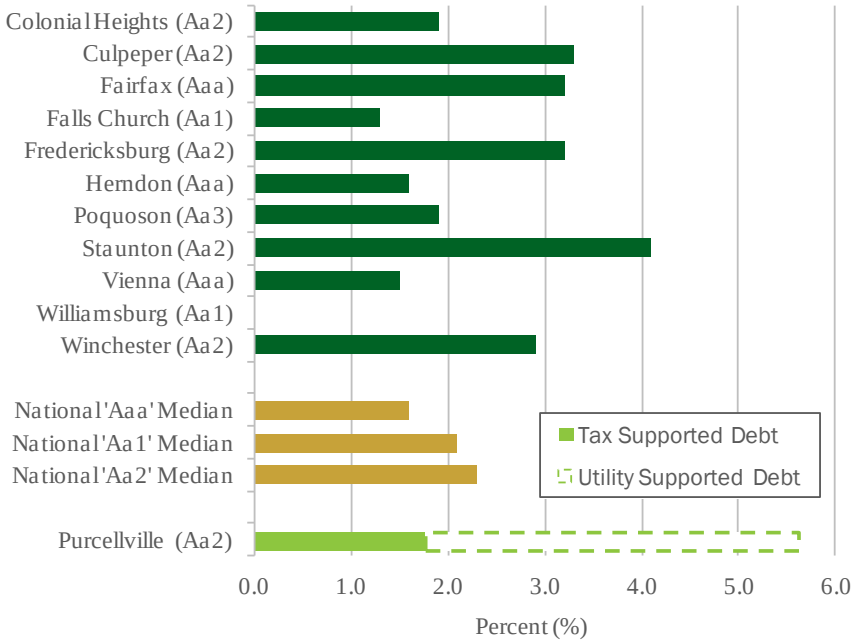
Direct Net Debt vs. Assessed Value



- Direct Net Debt vs. AV (FY 2015)*
  - Tax Supported Debt: 1.78%

Sources: Moody's MFRA Database.
*Purcellville shown using debt information as of 6/30/2014 and FY 2013 Assessed Value.

Overall Net Debt vs. Assessed Value

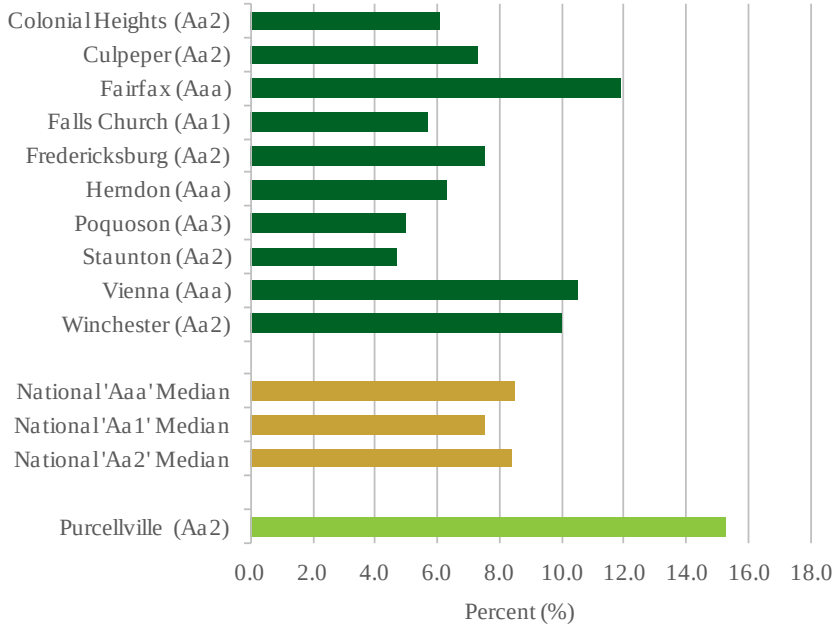


- Overall Net Debt vs. AV (FY 2015)*
  - Tax Supported Debt 1.78%
  - Utility Supported Debt 3.85%
  - Total Outstanding Debt 5.63%

Sources: Moody's MFRA Database.
*Purcellville shown using debt information as of 6/30/2014 and FY 2013 Assessed Value.

Peer Comparatives: Debt Ratios

Debt Service vs. Expenditures

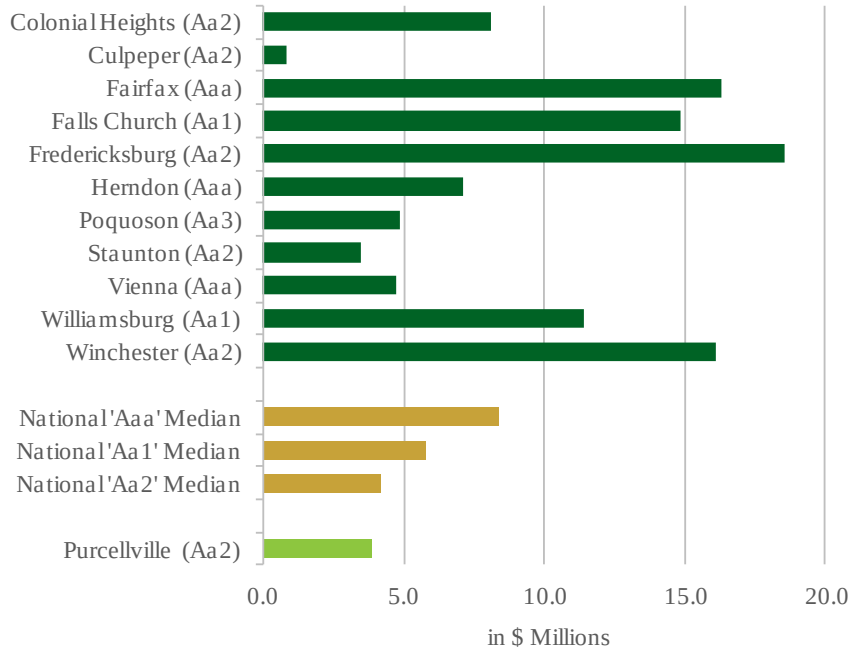


- Debt Service vs. Expenditures
  - 2013: 15%

Sources: Moody's MFRA Database.

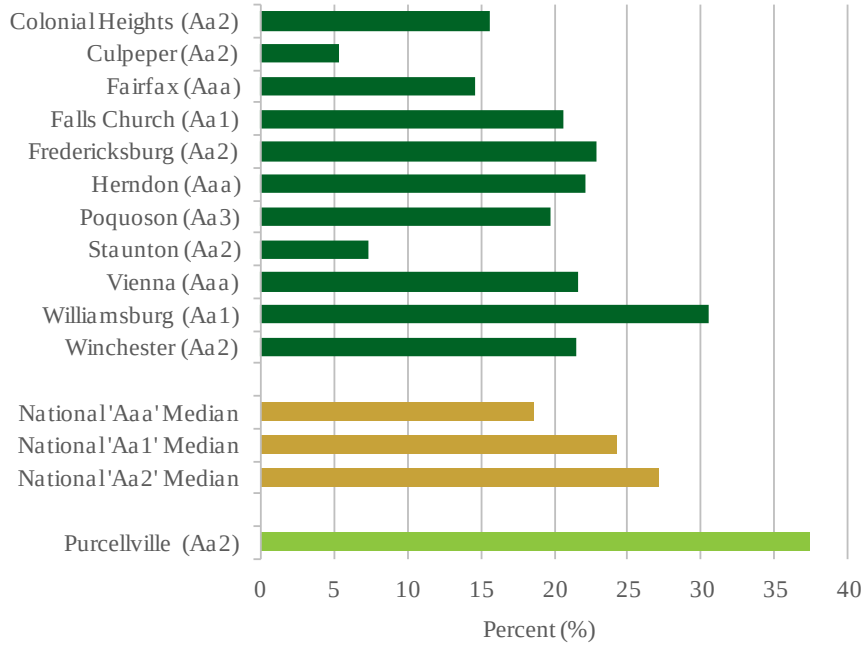
Peer Comparatives: Financials

Unassigned Fund Balance



- Unassigned Fund Balance
  - 2013: $3,884,533

Unassigned Fund Balance as a % of Revenues



- Unassigned Fund Balance as a % of Revenues
  - 2013: 37.45%

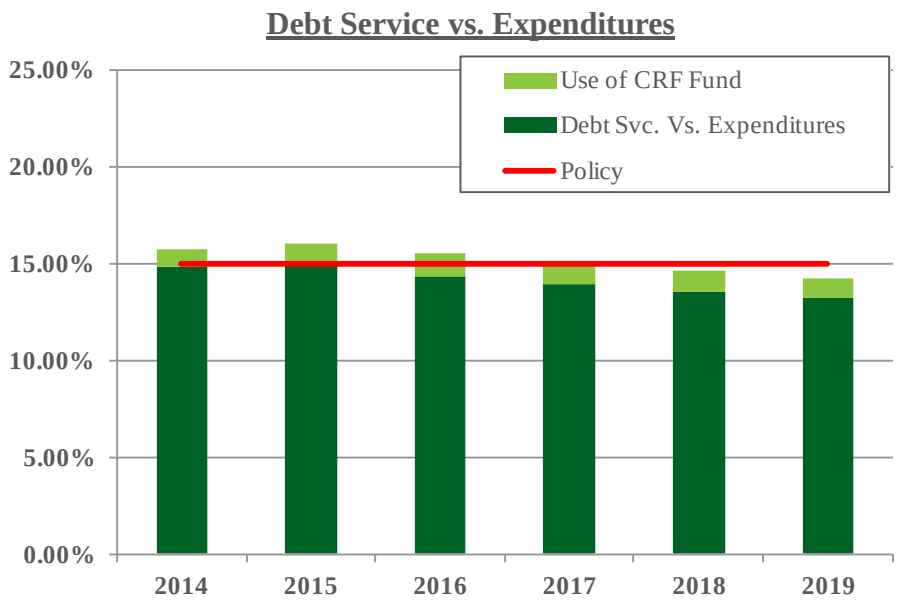
Sources: Moody's MFRA Database. Town's FY 2013 CAFR.

Sources: Moody's MFRA Database. Town's FY 2013 CAFR.

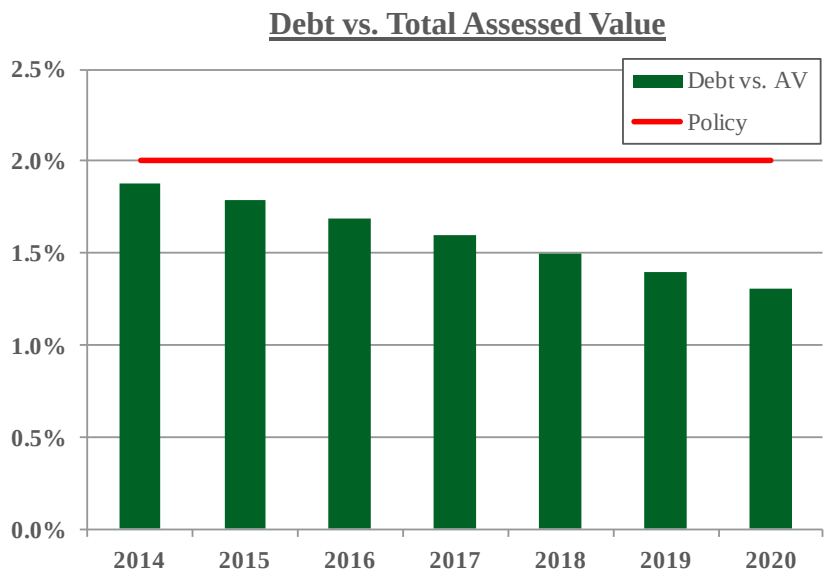
Future Strengths / Challenges

Challenge: Limited General Fund Debt Capacity

- The Town has limited capacity versus its adopted Tax Supported (i.e. Non-Utility) Debt policies in the foreseeable future.
- Greater than projected growth can help alleviate this pressure.



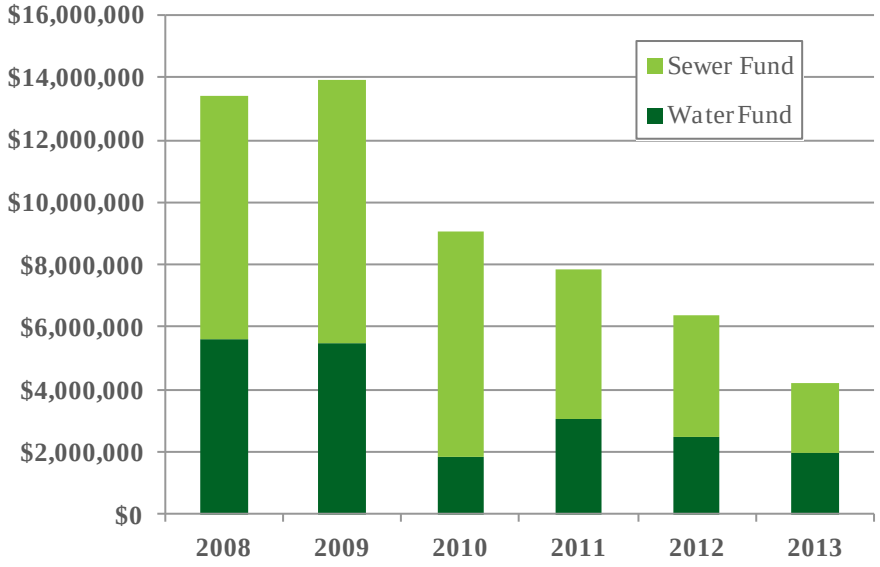
Projected growth in expenditures = 3% per year



Projected growth in assessed value = 1% per year

Challenge: Need to Rebuild Utility Reserves

- Cash reserves in the Water and Sewer Utility funds have been utilized during the past five or so years to help offset the impact of slower than originally planned new growth.
- It will be important to rebuild reserves in the Utility Fund to be in compliance with the Town's recently updated Financial Policy Guidelines of 100% of annual operating expenditures including debt service.
- The policy level would equate to roughly $6.5 million. In 2020, the policy level will need to increase proportionally to the budget including debt service.
- The new Autumn Hill development will help to increase utility revenues and reserve levels by virtue of guaranteed connection fee revenue.



Utility Cash & Equivalents

FY	Water	Sewer	Total
2008	$5,628,592	$7,784,394	$13,412,986
2009	5,508,338	8,404,191	13,912,529
2010	1,813,052	7,278,048	9,091,100
2011	3,046,201	4,801,599	7,847,800
2012	2,476,376	3,879,221	6,355,597
2013	1,942,327	2,281,417	4,223,744

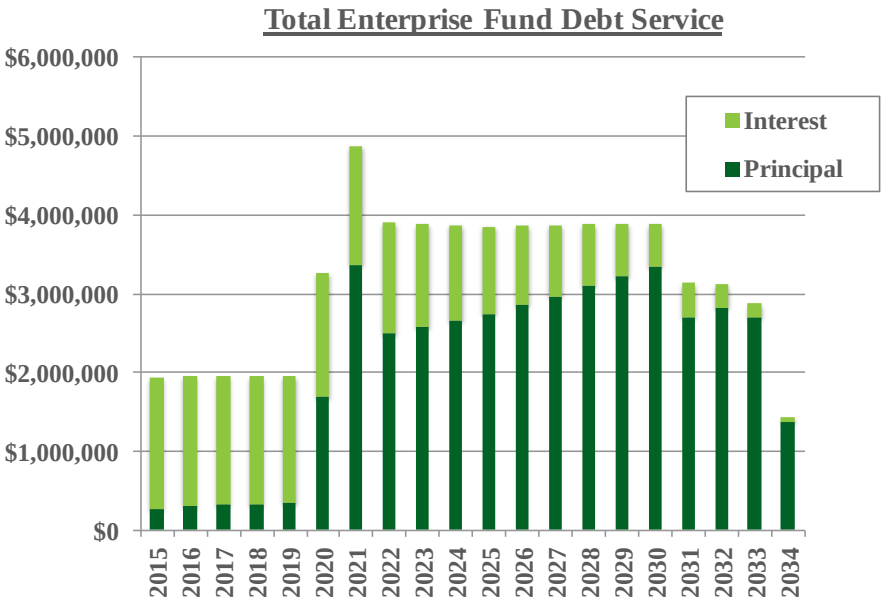
Challenge: Need to Grow into Utility Debt Profile

- The structure of the utility debt was designed to: 1) limit the up-front impact to rate payers; 2) allow time for additional growth to come online; 3) gradually rebuild Utility Fund reserves; 4) more evenly spread the cost of capital improvements over a greater number of users.

- The Town will need to maintain a focus on multi-year financial planning to order to build into its Water and Sewer Utility debt payments.

Total Enterprise Fund Debt Service

Fiscal Year	Principal	Interest	Total
Total	**42,168,034**	**21,211,940**	**63,379,974**
2014	0	0	0
2015	270,000	1,666,469	1,936,469
2016	305,000	1,654,179	1,959,179
2017	315,000	1,640,726	1,955,726
2018	330,000	1,626,514	1,956,514
2019	345,000	1,610,930	1,955,930
2020	1,683,355	1,586,211	3,269,565
2021	3,367,197	1,506,424	4,873,621
2022	2,491,984	1,407,307	3,899,290
2023	2,572,741	1,312,625	3,885,365
2024	2,659,495	1,214,696	3,874,190
2025	2,742,274	1,113,172	3,855,447
2026	2,856,107	1,008,527	3,864,634
2027	2,971,024	898,979	3,870,003
2028	3,097,053	784,750	3,881,803
2029	3,219,227	666,657	3,885,884
2030	3,342,577	543,770	3,886,347
2031	2,705,000	427,258	3,132,258
2032	2,825,000	298,833	3,123,833
2033	2,695,000	180,665	2,875,665
2034	1,375,000	63,250	1,438,250



Note: 2021 debt service payments include $1.44 million one-time balloon maturity of 2010 Taxable Build America Bond.

Strength: General Fund Reserves

- Maintaining reserve levels, most notably the Unassigned Fund Balance for the General Fund, **At or Above the Policy** minimum will be critical to maintaining or enhancing the Town's credit ratings.

Fiscal Year	Undesignated / Unassigned (1)	Operating Revenues		Fund Balance vs. Revenues
2003	$1,923,287	$4,288,076		44.9%
2004	2,363,474	4,641,559		50.9%
2005	1,725,713	4,891,901		35.3%
2006	2,137,481	6,310,708		33.9%
2007	2,599,404	6,666,485		39.0%
2008	3,145,905	6,780,133		46.4%
2009	3,768,574	6,887,060	(2)	54.7%
2010	4,415,059	6,938,874	(3)	63.6%
2011	4,368,340	6,962,946	(4)	62.7%
2012	3,427,576	7,125,670		48.1%
2013	3,884,533	8,244,213	(5)	47.1%

(1) Undesignated is shown from 2003 to 2010. Unassigned is shown 2011 and forward per update GASB standards.

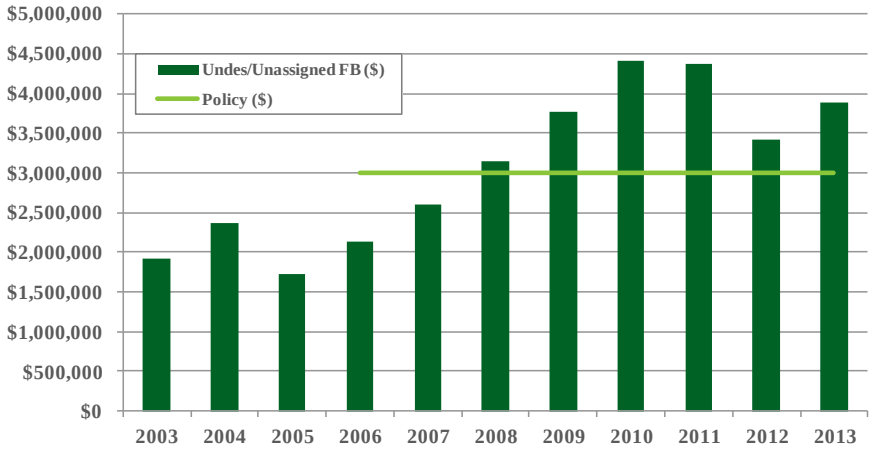
(2) Revenues in 2009 net of $1,875,307 of Loudoun County settlement monies.

(3) Revenues in 2010 net of $2,082,073 of Loudoun County settlement monies.

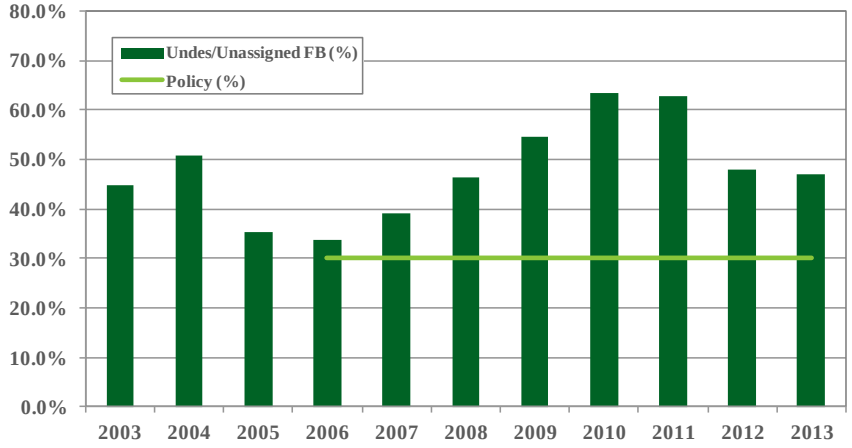
(4) Revenues in 2011 net of $2,106,173 of misc. revenues - mainly Loudoun County settlement monies.

(5) Revenues in 2013 include the General Fund and Parks & Recreation Special District.

Unassigned Fund Balance ($)



Unassigned Fund Balance vs. Revenues (%)



Strength: Management

- The Town benefits from a staff with considerable knowledge, skill, and experience.

- Standard & Poor's specifically noted the Town's "Very Strong Management" in their "AAA" credit rating report.

- The Town also received a "Strong" Financial Management Assessment ("FMA") Score – which is the highest possible FMA score. The FMA score is a sub-category of the overall rating framework.

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Other Critical Focus Areas

- ***Multi-year Financial Planning*** for the General Fund and Water / Sewer Utility Enterprise Funds including:

  - Multi-year Capital Planning (CIP);
  - Multi-year Budget Planning for the General Fund;
  - Multi-year Budget / Rate Planning for the Water and Sewer Utility Funds

- ***Maintain a Structurally Balanced Budget*** in the General Fund (Note: The term "structural balance" refers to on-going recurring expenditures being paid for with on-going recurring revenues).

- ***Maintaining fully Self Supporting Water and Sewer Utility Enterprise Funds*** that are not reliant on General Fund support.

- ***Compliance with Adopted Financial Policy Guidelines*** especially related to:

  - Budget Policies;
  - Fund Balance / Reserves; and,
  - Long-Term Debt.

- ***Strategic investment of existing Town reserves*** to limit risk and maximize earnings potential.

Next Steps

Next Steps

- November / December
  - Develop multi-year Capital Improvement Program ("CIP") with focus on compliance with adopted Financial Policy Guidelines and Best Practices.
- Early 2015
  - Update multi-year Financial / Budget planning for the General Fund and Water / Sewer Utility Enterprise Funds in concert with the budget development process.
  - Consider a review of Town Investment Management practices / strategies / procedures.
- Spring, 2015
  - Adopt budget for General Fund and Water and Sewer Utility Enterprise Funds with focus on Adopted Financial Policies, maintaining Solid Reserves, and Structural Balance.

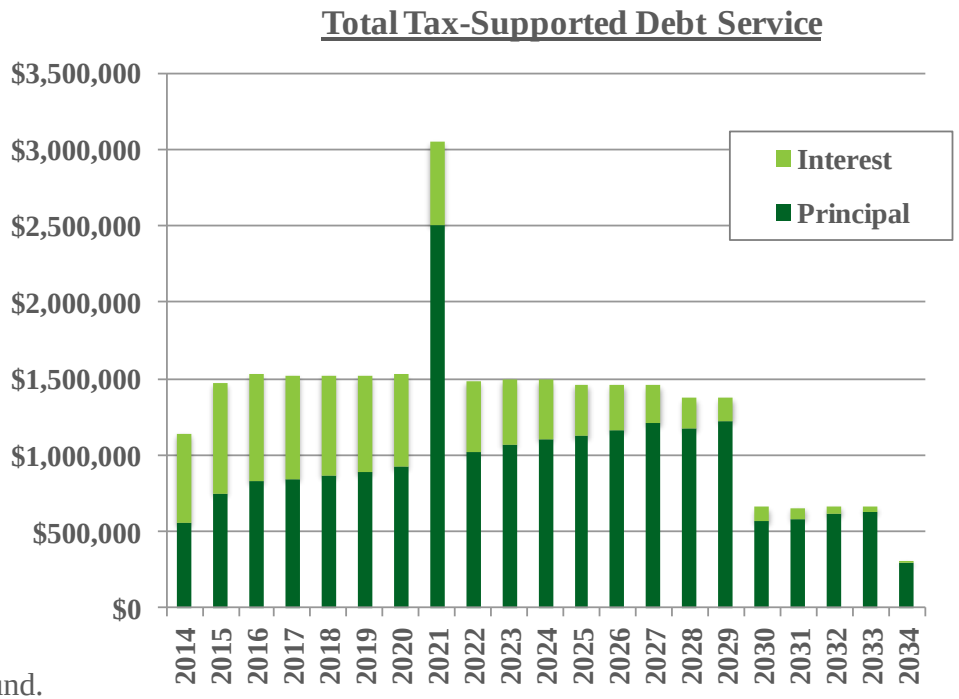
Appendix

Tax Supported Debt Service

Total Tax-Supported Debt Service

Fiscal Year	Principal	Interest	Total
Total	**$20,015,474**	**$7,882,800**	**$27,898,274**
2014	557,013	589,308	1,146,321
2015	756,531	719,595	1,476,126
2016	833,543	696,367	1,529,910
2017	850,621	674,965	1,525,586
2018	872,766	652,606	1,525,372
2019	890,000	632,152	1,522,152
2020	925,000	602,884	1,527,884
2021	2,510,000	538,392	3,048,392
2022	1,020,000	470,269	1,490,269
2023	1,070,000	429,231	1,499,231
2024	1,110,000	385,988	1,495,988
2025	1,125,000	340,788	1,465,788
2026	1,165,000	297,131	1,462,131
2027	1,210,000	249,588	1,459,588
2028	1,175,000	199,838	1,374,838
2029	1,230,000	147,881	1,377,881
2030	570,000	93,219	663,219
2031	590,000	71,781	661,781
2032	620,000	49,500	669,500
2033	635,000	28,944	663,944
2034	300,000	12,375	312,375

- Tax-supported debt service (includes the General Fund and Parks & Rec Fund) after the issuance of the 2013 Refunding Bonds totals roughly $20 million.
- Annual debt service is roughly level and was lowered by via the issuance of the 2013 Refunding Bonds.
- $1.6 million Balloon payment in FY2021 was not refinanced due to federal subsidy that would be lost and prepayment premium that would be owed to the lender.



Tax Supported debt includes the General Fund and Parks & Recreation Fund.

Existing Utility Debt Service

- Existing Utility Debt after the issuance of the 2013 Refunding Bonds totals approximately $43 million.

Total Enterprise Fund Debt Service

Fiscal Year	Principal	Interest	Total
Total	**43,088,279**	**22,605,787**	**65,694,066**
2014	920,245	1,393,847	2,314,092
2015	270,000	1,666,469	1,936,469
2016	305,000	1,654,179	1,959,179
2017	315,000	1,640,726	1,955,726
2018	330,000	1,626,514	1,956,514
2019	345,000	1,610,930	1,955,930
2020	1,683,355	1,586,211	3,269,565
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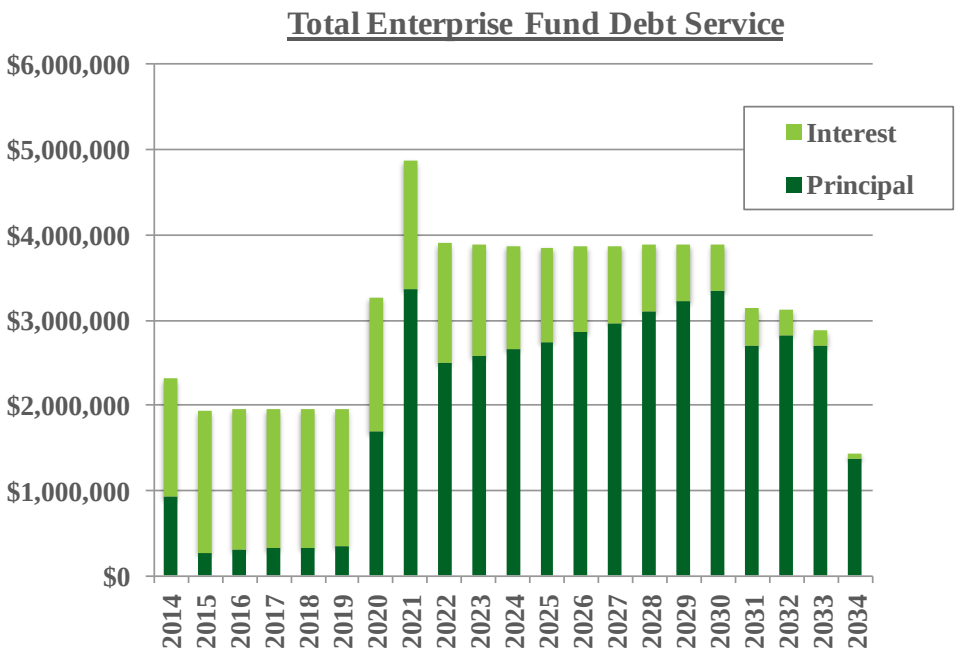
2029	3,219,227	666,657	3,885,884
2030	3,342,577	543,770	3,886,347
2031	2,705,000	427,258	3,132,258
2032	2,825,000	298,833	3,123,833
2033	2,695,000	180,665	2,875,665
2034	1,375,000	63,250	1,438,250

- The structure of the utility debt was designed to: 1) limit the impact to rate payers; 2) allow time for additional growth to come online; 3) gradually rebuild Utility Fund reserves; 4) more evenly spread the cost of capital improvements over a greater number of users.



Town of Purcellville, Virginia
Fiscal Policy Guidelines
Version 4 – February 25, 2014

SECTION I. Accounting, Auditing, and Financial Reporting

a. The town will establish and maintain the highest standards of accounting practices in conformance with uniform financial reporting in Virginia and generally accepted accounting principals for governmental entities as promulgated by the Governmental Accounting Standards Board.
b. The town will engage an independent firm of certified public accountants to perform an annual financial and compliance audit according to generally accepted government-auditing standards and will have these accountants publicly issue an opinion, which will be incorporated in a comprehensive annual financial report.
c. The town will annually seek both the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and the Government Finance Officers Association Distinguished Budget Presentation Award.

SECTION II. Asset Management

a. The town will capitalize all fixed assets with a value greater than $5,000 and an expected life of two years or more.
b. The operating budget will provide for minor and preventive maintenance.
c. The capital budget will provide for the acquisition of fixed assets and the construction, or total replacement of physical facilities to include additions existing facilities, which increase the square footage or asset value of that facility or other asset. The town will protect its assets by maintaining adequate insurance coverage through either commercial insurance or risk pooling arrangements with other governmental entities.

SECTION III. Revenue Management

a. The town will maintain a diversified and stable revenue structure to protect it from short-run fluctuations in any one-revenue source.
b. The town will estimate its annual revenues by an objective, analytical process.
c. The town, where practicable, will institute user fees and charges for specialized programs and services. Rates will be established to recover operational as well as overhead or indirect costs and capital or debt service costs, and the town will periodically review user fee charges and related expenditures to determine if pre-established recovery goals are being met.
d. The town will follow an aggressive policy of collecting revenue.
e. The town should routinely identify intergovernmental aid funding possibilities. However, before applying for or accepting intergovernmental aid, the town will assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits as a budgetary matter. All grant applications, prior to submission, must be approved by the Town Manager; grants and

donations may be accepted only by the Town Council; and no grant will be accepted that will incur management and reporting costs greater than the grant amount.

SECTION IV. Budget Management

Operating Budgets

a. The town, to maximize planning efforts, intends to prepare the operating budget with a multi-year perspective.
b. The budget is a plan for raising and allocating resources. The objective is to enable service delivery within available resources. Services must be delivered to residents and taxpayers at a level, which will meet real needs as efficiently and effectively as possible.
c. The town will fund current expenditures with current revenues and use nonrecurring revenues for nonrecurring expenditures.
d. It is important that a positive unassigned fund balance and a positive cash balance be shown in all governmental funds at the end of each fiscal year. When deficits appear to be forthcoming within a fiscal year, spending during the fiscal year must be reduced sufficiently to create a positive unassigned fund balance and a positive cash balance.
e. Where possible, the town will integrate performance measurements and productivity indicators within the budget. This should be done in an effort to continue to improve the efficiency and effectiveness of town programs and employees. Performance measurement should become a dynamic part of town government administration.
f. The budget must be structured so that the Town Council and the general public can readily establish the relationship between revenues, expenditures and the achievement of service objectives.
g. Budgetary reviews by the Town Council and Town Manager will focus on the following basic concepts:

    Existing Service Costs. The justification for base budget program costs will be a major factor during budget reviews.

    Administrative Costs. In all program areas, administrative overhead costs should be kept to the absolute minimum.

    Program Expansions. Proposed program expansions above existing service levels must be submitted as separate budgetary requests requiring detailed justification. Every proposed program expansion will be scrutinized on the basis of its relationship to the health, safety and welfare of the community to include analysis of long-term fiscal impacts

    New Programs. Proposed new programs must also be submitted as individual budgetary requests requiring detailed justification. New programs will be evaluated on the same basis as program expansions to include analysis of long-term fiscal impacts.

Capital Budgets

h. The town will make all capital improvements in accordance with an adopted capital improvements program.

i. The town will develop a multi-year plan for capital improvements, which considers the town's development policies and links development proffers resulting from conditional zonings with the capital plan.
j. The town will coordinate development of the capital budget with development of the operating budget. Future operating costs associated with new capital projects will be projected and included in operating budget forecasts.
k. The town will make use of non-debt capital financing through the use of alternate sources, including proffers and pay-as-you-go financing. The goal of the town is to finance 25% of the current portion of construction and acquisition costs of capital assets, improvements, and infrastructure (in excess of proffers) through the use of such non-debt sources over the course of a five year CIP program. The amount provided in current resources may be applied equally to all projects or only to specific projects.

Capital Asset Replacement Fund

l. Given the above stated goal to finance 25% of the cost of construction and acquisition costs of capital assets, improvements, and infrastructure(in excess of proffers) through the use of non-debt sources over the course of a five year CIP program, the Town will establish a Capital Asset Replacement Fund.
m. The Capital Asset Replacement Fund will provide non-debt funding for capital projects included in the adopted CIP with a focus on capital assets with shorter useful lives (i.e. vehicles, equipment, etc.).
n. Initial funding for the Capital Asset Replacement Fund will come from revenues that result from the growth in the Town's tax base. It is the goal of the Town to dedicate between 10% and 25% of the incremental additional revenues generated by the annual growth in the Town's tax base, if any, to the Capital Asset Replacement Fund.
o. Town Council may also, from time to time, dedicate monies from the Unassigned Fund Balance that are in excess of the Town's stated policy guideline to the Capital Asset Replacement Fund so long as the Undesignated Fund Balance level after such dedication will maintain compliance with the Town's policy goals.

SECTION V. Debt and Cash Management

Debt Management

a. The town will not fund current operations from the proceeds of borrowed funds and will confine long-term borrowing and capital leases to capital improvements, projects, or equipment that cannot be financed from current financial resources.
b. The town will, when financing capital improvements or other projects or equipment by issuing bonds or entering into capital leases, repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project.
c. The town will annually calculate target debt ratios for direct, non-revenue based debt that is dependent on the general fund for the payment of debt service. So long as payments from the general fund to the enterprise fund are not necessary to make up shortfalls in the

enterprise fund, enterprise fund debt will not be included in the calculation of the debt ratios. The town's debt capacity shall be maintained within the following primary goals:

1. Debt service expenditures as a percentage of general fund expenditures should not exceed 15%.
2. Bonded debt of the town shall not exceed 2.0% of the total assessed value of taxable property.

d. The town will follow a policy of full disclosure in every annual financial report and financing official statement/offering document. As such, the Director of Finance will maintain a record of all of the lenders of outstanding town issued debt. This record will include any post issuance disclosure obligations of the town. So long as the Town has debt outstanding in the public markets this record will also include the continuing disclosure requirements found in the Continuing Disclosure Agreement ("CDA") that is executed at the closing of publicly issued bonds. The Continuing Disclosure Agreement specifically references the town's obligations under rule 15c212. The most recent CDA is included as Appendix A to these financial policies.

e. It is the goal of the town to maintain or enhance its credit ratings. The town understands that there is a correlation between a higher bond rating(s) and lower borrowing costs (all else being equal) – whether the town is borrowing is for a new project or to refinance existing debt for savings. As such, working with its Financial Advisor, the town will maintain good communications about its financial condition with bond and credit rating institutions.

f. The town understands that is has the unique ability to borrow on a tax-exempt basis for many of its General Government and Utility Enterprise projects. The town further understands that the provisions of the Internal Revenue Code of 1986, as amended (the "IRC"), together with the regulations promulgated thereunder (the "Treasury Regulations" and collectively with the IRC, the "Tax Laws"), impose requirements that must be met in order for interest on the Bonds to continue to be exempt from federal income taxation or the Bonds be entitled to certain other tax benefits while the Bonds are outstanding. It shall be the policy of the town work with a nationally recognized Bond Counsel and Financial Advisor, as necessary, (a) to comply with the Tax Laws and (b) to implement and carry out the procedures to ensure compliance with the Tax Laws and to preserve appropriate records to evidence such compliance.

<u>Cash Management</u>

f. The town will maintain an investment policy based on the Government Finance Officers Association model investment policy, and the investment policies and procedures of the director of finance shall become a part of this policy.

g. The town will, where permitted by law, pool cash from its various funds for investment purposes and will invest revenue to maximize the rate of return while maintaining a low level of risk

SECTION VI. <u>Reserve Funds Management</u>

a. The general fund unassigned fund balance should be maintained at a minimum of $3 million or 30% of total general fund revenues, whichever is greater, given that the water

and sewer enterprise funds are self supporting and the enterprise fund fund balances are maintained at a substantial level.

b. The general fund unassigned fund balance should be drawn upon only as absolutely necessary and any use thereof should be limited to:
    1. One time capital needs;
    2. Offsetting difficult economic times;
    3. Non-recurring expenditures;
    4. Providing liquidity in emergency situations.
c. The total of the water and sewer utility funds unrestricted cash and equivalents at the close of each fiscal year should be equal to no less than 100% of the total of operating expenditures and debt service.
d. Should the town utilize fund balances (general fund) or unrestricted cash and equivalents (water and sewer utility funds) that will reduce the funds below the policy for one of the purposes noted above the town will put in place a plan to restore the fund balance to the policy level. In such circumstances, after the fund balance (General Fund) or unrestricted cash (water and sewer utility funds) have been calculated as part of closing-out a fiscal year, the town will adopt a plan as part of the following year's budget process to restore the funds to the policy level within 36 months from the date of the budget adoption.

Note: Version 1 adopted in October 2005; Version 2 adopted in February 2007; Version 3 adopted in November 2010; Version 4 adopted in February 2014.

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ATTACHMENT 3

Davenport & Company LLC

Member: FINRA – NYSE - SIPC

One James Center
901 East Cary Street
14th Floor
Richmond, Virginia 23219

Presentation Prepared for the

Town of Purcellville Virginia

General Fund and Utility Enterprise Fund Plan of Finance

September 24, 2013

Background

- In Concert with the Fiscal Year 2014 Budgeting Process (i.e. Winter / Spring of 2013), Davenport Discussed a Preliminary Plan with the Town that Involved Strategically Refinancing / Restructuring Existing Debt to Lock-in Interest Rates, Term Out Balloon Payments, and Free-up Cash-Flow (the "Plan of Finance").

- In Order to Put itself in the Best Possible Position for the Plan of Finance, Davenport Recommended that the Town seek Formal Credit Ratings from the Three Nationally Recognized Credit Rating Agencies:
  - Moody's Investors Service;
  - Standard & Poor's; and,
  - Fitch Ratings.

- After a thorough Rating Review Process by the Three Nationally Recognized Rating Agencies the Town was Assigned "AA" Range Credit Ratings by Each Rating Agency. These are Considered "Very Strong Investment Grade."

Background (cont.)

- On September 10th, Davenport presented to Town Council a Summary of the Rating Results, an update on the Plan of Finance, and a recommendation of Next Steps to Enact the Plan of Finance.

- Two Financing Options were Contemplated for the Plan of Finance. They Include:

  1. General Obligation Bonds Issued on a Stand-Alone Basis by the Town in the Public Credit Markets;

  2. General Obligation Bonds Issued through the Virginia Resources Authority ("VRA") in the Public Credit Markets.

Note: The Town has Historically Obtained Financing through Competitively Bid Direct Bank Placements. A Direct Bank Placement was not viewed as Viable for the Plan of Finance Primarily due to:

1) the Size of the Issue that is Contemplated (i.e. above the $10 million Bank Qualified Limit that is Typically the Most Attractive to Banking Institutions);

2) the Desire to Lock-in a Fixed Rate for the Full Term of the Loan; and,

3) a Declining Number of Banks that Bid on Past Town Financings.

VRA Update

- VRA has not been Able to Approve the Town's Application to Participate in the Fall, 2013 VRA Pool Program. One of the Primary Reasons Cited is the Concentration of Purcellville Debt in the VRA's Loan Portfolio.

  Note: The Town's $24 million 2008 Revolving Fund Loan for the Sewer Plant was Issued through a VRA Program.

- The Next Opportunity to Achieve VRA Credit Approval is Early December. If Credit Approval were Achieved at that Time the Sale of Bonds for the Town's Plan of Finance would Likely Not Occur Until Early Calendar Year 2014 or Later. It is not Certain whether Credit Approval can be Achieved.

- A Sale in Calendar Year 2014 could Negatively Impact the Town's Ability to Free Cash-Flow in Fiscal Year 2014 for the Utility Funds as is Contemplated in the Plan of Finance.

- Also, the Town would be Subject to Interest Rate Risk for a Longer Time Period if it were to wait for Potential VRA Approval.

Stand-Alone Bonds Update

- The Town Received a Favorable Response to the Request for Proposals for Underwriting Service to Enact the Plan of Finance Under the Stand-Alone Process. Nine Firms Submitted a Response.

- All of the Firms Indicated a Willingness to Underwrite the Town's Proposed 2013 General Obligation as per the Plan of Finance.

- The Underwriting Firms have Indicated an Ability to Issue the 2013 Bonds Per the Town's Time Schedule (i.e. Sell Bonds and Close by November 1).

- Davenport Recommends that the Town Utilize Two Underwriting Firms for the 2013 General Obligation Bonds:

  - RW Baird (Senior Manager); and,

  - Raymond James (Co-Manager).

- This Recommendation is Based on the Firms' Proposed Pricing, Proposed Compensation Levels, Experience.

Recommended Option

- Davenport Recommends that Purcellville Move Forward with an Issuance of General Obligation Bonds by the Town via a the Public Markets due to:

  - The Town's Strong "AA" Credit Ratings that are Expected by the Underwriting Firms to be Well Received in the Marketplace;

  - The Ability to Enter the Marketplace Earlier than a Potential VRA Issuance (assuming that VRA Credit Approval can be Achieved). This Provides Greater Ability to Free Cash-Flow in Fiscal Year 2014 and should allow the Town to Lock-in Interest Rates before a Potential VRA Sale;

    Note: There is no way of Knowing whether the Prevailing Market Interest Rates will be Higher or Lower if the Town Issues Stand-Alone Bonds Earlier than a Potential VRA Issuance.

  - In the Same Market Conditions, the All-in Cost of Funds of a Stand-Alone Issuance is Estimated to be at/near that of an Issuance through VRA;

  - The Standard Prepayment / Early Redemption Features of a Stand-Alone Issuance and a VRA Issuance are Equivalent (i.e. Prepayable after 10 years with No Penalty); and,

  - The Underwriting Team Members will Work "at Risk". As such, if a Stand-Alone Bond Issuance is not Successful the Town will not be Out-of-Pocket any Costs to the Underwriters.

Plan of Finance – Goals & Objectives

- The Objectives of the Plan of Finance are as Follows:

✓ **General Fund:**

1. Permanently Finance (i.e. Term-Out) Balloon Payments on Existing Loans to Eliminate Interest Rate Risk Related to the need to Refinance the Payments; and,
2. If Market Rates Allow, Refinance Existing Debt for Savings Purposes.

✓ **Water and Sewer Enterprise Funds:**

1. Restructure Existing Debt to Conserve Cash-Flow and More Equitably Spread the Cost of Debt Service Across Users of the System;
2. Permanently Finance (i.e. Term-Out) Balloon Payments on Existing Loans to Eliminate Interest Rate Risk Related to the Balloon Payments;
3. If Market Rates Allow, Refinance Existing Debt for Savings Purposes.

General Fund Refinancing Opportunities

- The Town can Permanently Finance the Balloon Maturities of Loans 1 and 2 Below and Eliminate the Interest Rate Risk Associated with the Balloon Maturities.

- Also, if Market Conditions Allow, Davenport Recommends that the Town Position itself to be Able to Refinance Other Outstanding Debt for Savings Purposes (see Loans 3, 4, and 5).

			Amount to be Refunded [1]			Key Terms / Conditions			
		Series	General Fund	Parks & Recreation	Total	Interest Rate	Final Maturity	Balloon Maturity	Prepayment Provision
	1	2005A / B	$1,519,200	$0	$1,519,200	3.659%	FY 2020*	Yes - $841,200	10/1/2014 @ 101%
	2	2008 [2]	2,485,820	348,327	2,834,147	4.46%	FY 2029	N/A	6/1/2015 @ 101%
		Sub-Total	**4,005,020**	**348,327**	**4,353,347**				
If Possible, Refinance for Savings	3	2003	248,461	0	248,461	3.27%	FY 2018	N/A	Anytime @ 100%
	4	2008 RD	4,466,716	0	4,466,716	4.125%	FY 2047	N/A	Anytime @ 100%
	5	2010C	3,476,810	0	3,476,810	3.03%	FY 2026	N/A	Anytime @ 100%
		Sub-Total	**8,191,987**	**0**	**8,191,987**				
		Total	**$12,197,007**	**$348,327**	**$12,545,334**				

(1) Assumes closing on/about December 1, 2013.

(2) This loan is split between the General Fund, Parks & Rec, Water, and Sewer. The balloon maturity is tied to water/sewer projects. The loan is callable only in whole so the entire loan will be refinanced.

* Final maturity of current bond issue. Balloon maturity is assumed to be termed out for additional time period equal to the originally intended final maturity (20 years for Tax Supported projects).

General Fund Market Update

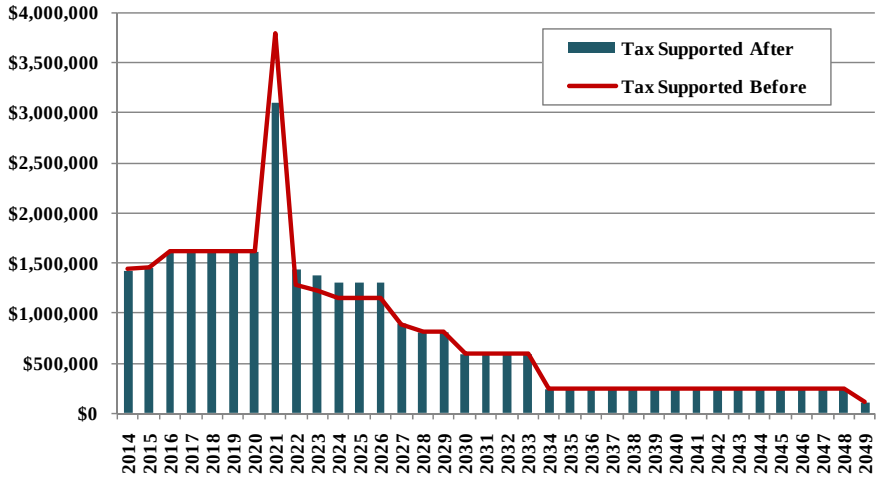
- Permanently Terming Out the 2005A and 2008 Loan would Allow the Town to Eliminate the Balloon Maturities and Lock-in an Interest Rate Through the Intended Final Maturity.

Note: Planning estimate does not Contemplate Terming Out the 2010 Build America Bond's $1.645 million Balloon Payment in FY2021 at this time due to: the Interest Subsidy on Received on the Issue that would be lost if refunded; and, the Prepayment Premium that would be Owed to the Bank.

This Estimate Only Includes Terming-Out the 2005A and 2008 Loans. No Refinancings are Included. Any Refinancing would only Serve to Further Enhance the Result if Market Conditions Prove Favorable.

General Fund + Parks & Rec Fund Initial Results - Balloon Term Out Only	
Par Amount Refunded:	$4,353,267
Average Interest Rate on Refunded Debt:	4.21%
Average Interest Rate on New Refunding Debt:	3.01%

Results are preliminary and subject to change based on an estimated rates for a "AA" credit in the public markets on August 29, 2013. Actual results will depend on market conditions at the time and could vary substantially from preliminary estimates.



Utility Enterprise Refinancing / Term-Out Opportunities

- Strategically Refinancing / Restructuring Approximately $23.7 million of Existing Utility Enterprise Debt will Serve to:
  - Lock in Interest Rates on the Balloon Maturities Reducing Future Interest Rate Risk;
  - Conserve Cash-Flow over the Next Five Fiscal Years to Reduce the Cost to the Current User Base of Assets that will Benefit Users for Decades to Come.

	Amount Refinanced [1]			Key Terms / Conditions			
Series	**Water Fund**	**Sewer Fund**	**Total**	**Interest Rate**	**Final Maturity**	**Balloon Maturity**	**Prepayment Provision**
2005B [2]	$1,285,083	$1,157,116	$2,442,199	3.659%	FY 2020*	Yes - $1,352,200	10/1/2014 @ 101%
2008 DEQ / VRA [3]	$0	$7,266,609	$7,266,609	3.0%	FY 2030	No	Subject to VRA
2008 GO [4]	5,970,687	7,975,746	13,946,433	4.46%	FY 2029*	Yes - $5,287,200	6/1/2015 @ 101%
Sub-Total	$7,255,770	$16,399,471	$23,655,241				

(1) Assumes a closing on/about December 1, 2013.

(2) Entire remaining amount to be refinanced.

(3) $21.4 million currently outstanding. Only the FY2014 to FY2019 and FY2021 maturities will be defeased. Interest rate on this loan is in the process of being lowered to 2.77%.

(4) This loan is split between the General Fund, Parks & Rec, Water, and Sewer. The balloon maturity is tied to water/sewer projects. The loan is callable only in whole so the entire loan will be refinanced.

* Final maturity of current bond issue. Balloon maturity is assumed to be termed out for originally intended time period.

Utility Enterprise Fund Market Update

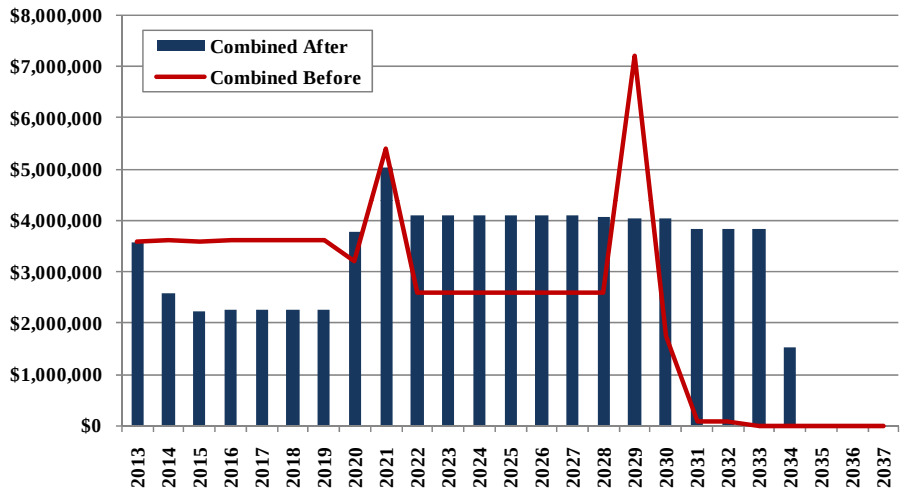
- Estimated Results Assuming the Proposed Plan of Finance are as Follows:
  - $7.7 million of Cash-Flow is Freed from Fiscal Year 2014 to Fiscal Year 2019 Assuming an Average 5.5% Borrowing Rate (see Comparison to Current Market Below);
  - Balloon Maturities are Eliminated. Interest Rates are Locked-in Reducing Interest Rate Risk;
  - Final Maturity of Utility Debt is Not Extended Beyond Originally Intended Maturity (i.e. all Debt Paid off within 30 years of Original Issuance).
  - Present Value Cost of the Transaction at Current Market Rates is Roughly $2.2 million or Roughly 5% of the Outstanding Utility Fund Debt.

Water and Sewer Initial Results - Balloon Term Out Only	
Par Amount Refunded:	$23.7 million
Average Interest Rate on Refunded Debt:	4.18%
Current Market Estimated All-in Interest Rate on New Debt: (1)	4.36%
Planning Estimate All-in Interest Rate on New Refunding Debt: (2)	5.67%

Results are preliminary and subject to change Actual results will depend on market conditions at the time and could vary substantially from preliminary estimates.

Estimated Results of the Plan of Finance (cont.)

- A Comparison of the Utility Enterprise Debt Service Before and After the Proposed Plan of Finance is as Follows:



- Cash-flow is freed-up in FY 2014-2019;

- Balloon Maturities are removed and debt service is Smoothed (Level) by Fund with the Exception of the FY2021 Maturity of the 2010 BAB Loan (Same Loan as Noted on General Fund).

Results are preliminary and subject to change Actual results will depend on market conditions at the time and could vary substantially from preliminary estimates.

Next Steps

Upon obtaining Council Approval for the Plan of Finance, Davenport would propose the following Next Steps for the issuance of the 2013 Bonds:

- **Tuesday, September 24, 2013 (Today)**
  - **<u>Regular Meeting of Town Council:</u>**

    Davenport Presents Plan of Finance / Market Update.

    Town Council Formally Authorizes Plan of Finance for Issuance of 2013 Bonds and Related Documents.

    Town Council Formally Approves Interest Rate Reduction on 2008 VRA/DEQ Loan. **(Note: this Transaction is Separate from the Proposed Plan of Finance and was Enacted Independently by VRA to Reduce the Interest Rate on the Town's 2008 VRA/DEQ Loan. This Reduced Interest Rate has been Factored into the Planning herein)**.

- **Friday, September 27**
  - Rating Agency Update Calls

- **Wednesday, October 2**
  - Post Preliminary Official Statement

Next Steps (cont.)

- **By Friday, October 4**
  - Receive Formally Updated Ratings for Bond Issue (if Stand-Alone Strategy Selected).
- **Week of October 7**
  - Sell 2013 Bonds. Lock in Rates.
- **By October 31**
  - Close on 2013 Bonds.

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Version 6.1.12 KAL DPR

ATTACHMENT 4

DAVENPORT & COMPANY

Town of Purcellville, Virginia

Financial Policies and Multi-Year Financial Forecasting

February 25, 2014

Member NYSE|FINRA|SIPC

Overview

- The Town of Purcellville is in the process of planning for its Fiscal Year 2015 Budget and Multi-Year Capital Improvements Plan ("CIP") for the General Government and Water and Sewer Utility Funds.

- On January 28, 2014 Davenport presented the Town Council with an overview of strategies and policies for the Town to take into consideration as it relates to developing the Fiscal Year 2015 Budget and Multi-Year CIP.

- This evening Town Staff and Davenport are presenting to Town Council two specific topics as it relates to the Fiscal Year 2015 Budget and Multi-Year CIP:

  1. Proposed updates to the Town's Fiscal Policy Guidelines;

  2. Proposed formalizing of the Town's multi-year financial planning for purposes of GFOA requirements and Rating Agency expectations for a local government with ratings in the "AAA / Aa" range.

Updated Fiscal Policy Guidelines

Fiscal Policy Updates

- Fiscal Policies that are adopted, adhered to, and regularly reviewed are recognized as a cornerstone of sound financial management.

- It is an expectation of the Rating Agencies and the Credit Markets in general that the Town will maintain and periodically update its Fiscal Policies.

- The Town's Fiscal Policies were last updated in November of 2010.

- Since that time a number of changes have occurred including:
  - Updated Governmental Accounting Standards Board requirements;
  - A refinancing / restructuring of the Town's existing indebtedness especially as it relates to the Water and Sewer Utility Enterprise Fund;
  - The Town obtained its first-ever Credit Ratings from the National Credit Rating Agencies.

- As such, Town Staff and Davenport present proposed updates to the Town's Fiscal Policy Guidelines for consideration.

Summary of Fiscal Policy Amendments

- A draft of the updated Fiscal Policy Guidelines is included as an appendix. A summary of the proposed amendments is as follows:

  - **First** – per updated GASB standards Undesignated Fund Balance has been replaced with Unassigned Fund Balance. The town's policies were updated to reflect that change;

  - **Second** – the Town's General Fund (i.e. Tax Supported) debt policies previously included a measurement of the Town's Debt versus Total Personal Income. This is no longer a metric used by the Rating Agencies or the Credit Markets for a local government. As such, this metric was removed;

  - **Third** – Continuing Disclosure of the Town's financial condition is both an expectation and a legal requirement. As such, a section has been added to the Town's Fiscal Policies to formalize the Town's process for complying with these Continuing Disclosure requirements;

  - **Fourth** – Post Issuance Compliance with Tax Code Regulations is critically important to maintaining the Tax-Exempt status of current and future borrowings. As such additional wording was added speaking to the Town's commitment to tracking its compliance with tax code regulations after the issuance of debt;

  - **Fifth –** the Town's current Reserve Policy for the Water and Sewer Utility Enterprise Funds was developed when the expectations for growth in the Water and Sewer Utility Enterprise Fund were much different than the current outlook. As such, the policy has been amended to allow the Town's Unrestricted Cash & Equivalents to be at least 100% of Annual Operating Expenditures plus Debt Service. This level is in line with medians for "AA" rated Water and Sewer Utility Systems.

Multi-Year Financial Forecasting

Financial Forecasting

- Multi-year Financial Forecasting uses financial forecasts to provide insight into future financial capacity, so that strategies can be developed to achieve long-term sustainability in lights of the governments service objectives and financial challenges.

- Multi-year Financial Forecasting helps a local government anticipate and plan for future needs and challenges.

- The Town has historically performed periodic Multi-Year Financial Forecasting for the General Fund and the Water and Sewer Utility Funds.

- The Rating Agencies will expect this practice to continue.

- In order to achieve the GFOA budget award a local government must include formal Multi-Year Financial Forecasting in their budget document.

- Included herein are templates for Multi-Year Financial Forecasting that could be included with the upcoming Fiscal Year 2015 Budget.

General Fund

- For the General Fund the Multi-Year Financial Forecast takes into account:
  - Operating Revenues for the General Fund and Parks & Recreation Fund;
  - Operating Expenditures for the General Fund and Parks & Recreation Fund;
  - Existing Tax-Supported Debt Service (General Fund and Parks & Recreation Fund);
  - Potential Debt Service Tied to New Projects (if any);
  - One-Time Funding Sources and Uses (i.e. Use of Capital Reserve Fund or Cash Funding of Capital);
  - The Magnitude of Projected Surplus / (Shortfall) as measured versus the Value of 1¢ on the Real Estate Tax Rate*; and,
  - Unassigned Fund Balance Levels vs. the Town's Policy.

* Note: The value of 1¢ on the real estate tax rate is used only a benchmark to equate the magnitude of the projected surplus / (shortfall) to the real property tax given that is one of the Town's primary revenue sources. Using the real estate tax rate as a benchmark is not intended to imply or suggest a real estate tax increase.

Key Assumptions

- Key Assumption used in the Multi-Year Projections include (**NOTE: the below key assumptions are for illustrative purposes only. The key assumptions used in the projections for the fiscal year 2015 Budget will be refined upon release of the Town Manager's Proposed Budget**):

  - Operating Revenues grow at 3% Annually beginning in fiscal year 2016;
  - Shared Costs from the Water and Sewer Funds are Projected to remain flat at $1.1 million;
  - Loudoun Gas Tax Monies are received but remain flat at their budgeted fiscal year 2014 level through fiscal year 2017 after which these dollars may not be available;
  - The Value of 1¢ on the Real Estate Tax Rate is assumed to be $105,000 in fiscal year 2015 and grow at 2.5% per year beginning in fiscal year 2016;
  - Operating Expenditures grow at 3% annually beginning in fiscal year 2016;
  - Annual use of the Capital Reserve Fund established with Town Hall Sale Proceeds per the Fall 2012 Davenport Plan of Finance;

    (Note: $756,392 Capital Reserve Fund is Separate and Aside from the Unassigned Fund Balance)
  - Minimal Capital Funding Needs are Anticipated in the Coming Years. No New Long-Time Debt is Planned. Routine Vehicle Purchases have been Factored into the Planning Projections in the Operating Expenditures Line Item.

General Fund Financial Forecast (cont.)

- The General Fund summary output would demonstrate the potential impact to future budgets of decisions made today in terms of: operating revenues versus expenditures; capital funding sources and uses; and, fund balances. (**NOTE: the below projections are for illustrative purposes only. The key assumptions used in the projections for the fiscal year 2015 Budget will be refined upon release of the Town Manager's Proposed Budget**):

	Multi-Year General Fund and Parks & Recreation Fund Forecast	Actual 2013	Budget 2014	Proposed 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
1	Total Operating Revenues (*net of Loudoun Gas Tax*)	$8,622,370	$9,210,559	$9,452,519	$9,701,739	$9,958,436	$10,222,833	$10,495,162
2	Loudoun County Gas Tax	237,739	222,228	222,228	222,228	222,228	0	0
3	Total Operating Expenditures (*less Debt Service & Cash Funded Capital*)	(7,897,327)	(7,948,437)	(8,186,890)	(8,432,496)	(8,685,471)	(8,946,035)	(9,214,416)
4	***Surplus Before Debt Service, Capital***	***962,782***	***1,484,350***	***1,487,858***	***1,491,471***	***1,495,192***	***1,276,798***	***1,280,746***
5	Existing General Fund Debt Service (*P+I*)	(1,319,996)	(917,432)	(1,201,641)	(1,243,291)	(1,241,342)	(1,244,437)	(1,169,071)
6	Existing Parks & Recreation Fund Debt Service (*P+I*)	(37,304)	(228,889)	(274,485)	(286,618)	(284,244)	(280,936)	(353,081)
7	New Debt Service (*P+I*)	0	0	0	0	0	0	0
8	Cash Funded Capital	0	0	0	0	0	0	0
9	***Surplus / (Deficit) After Debt Service, Cash Funded Capital)***	***(394,519)***	***338,029***	***11,731***	***(38,439)***	***(30,393)***	***(248,575)***	***(241,407)***
10	**Other Financing Sources / (Uses)**							
11	Use of Capital Reserve Fund	0	**87,767**	**105,980**	**117,894**	**117,409**	**111,377**	**111,038**
12	Expenditure Contingency - Operating Reserve	(80,000)	(99,267)	(102,245)	(105,312)	(108,472)	(111,726)	(115,078)
13	Addition to Capital Asset Replacement Fund	(2,500)	(2,500)	(2,575)	(2,652)	(2,732)	(2,814)	(2,898)
14	Addition to Fund Balance from Old Town Hall Sale Proceeds	**503,308**	0	0	0	0	0	0
15	***Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses)***	***26,289***	***324,029***	***12,891***	***(28,509)***	***(24,188)***	***(251,737)***	***(248,344)***
	Equivalent Real Estate Tax Impact							
16	***Equivalent Real Estate Tax Impact***		**0.0¢**	**0.0¢**	**0.3¢**	**0.2¢**	**2.2¢**	**2.1¢**
17	***Value of One Penny***		$100,000	$105,000	$107,625	$110,316	$113,074	115,900
18	***Growth in the Value of a Penny***			5.0%	2.5%	2.5%	2.5%	2.5%
	Projected Financial Policy Compliance							
19	***Unassigned Fund Balance***	**3,453,865**	**4,011,728**	**4,024,619**	**3,996,110**	**3,971,922**	**3,720,185**	**3,471,841**
20	***Unassigned Fund Balance vs. Revenues (%)***	**40.1%**	**43.6%**	**42.6%**	**41.2%**	**39.9%**	**36.4%**	**33.1%**
21	***Unassigned Fund Balance Policy Target (Greater of 30% or $3M)***	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,000,000**	**3,066,850**	**3,148,549**
22	***Capital Reserve Fund Balance***	756,392	668,625	562,645	444,751	327,342	215,965	104,926
23	***Capital Asset Replacement Fund Balance***	5,000	7,500	10,075	12,727	15,459	18,273	21,171
24	***Debt Service vs. Expenditures***	**14.7%**	**12.6%**	**15.3%**	**15.4%**	**14.9%**	**14.6%**	**14.2%**

Utility Fund Financial Forecast

- Davenport recommends that the Town continue Multi-Year Financial Forecasting for the Water and Sewer Utility Funds as has been done historically working with MFSG and Davenport.

- The Multi-Year Financial Forecast should take into considerations:
  - Projected trends in consumption;
  - Projected new connections potentially under a variety of scenarios;
  - Projected capital funding sources and uses;
  - Projected cash & equivalents versus the policy level;
  - Projected user rate levels; and,
  - Projected availability fee adjustments.

Utility Fund Financial Forecast (cont.)

- Davenport recommends that the Town continue Multi-Year Financial Forecasting for the Water and Sewer Utility Funds as has been done historically working with MFSG and Davenport. **(NOTE: the below projections are for illustrative purposes only. The key assumptions used in the projections for the fiscal year 2015 Budget will be refined upon release of the Town Manager's Proposed Budget).**

Restructuring and Development Scenario:

Includes Debt Restructuring Baseline Growth Additional Development (AH/Mayfair) Including FY15 - FY19 CIP **Allow for Rate Reductions**	**Budget 2014**	**Proposed 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**	**Projected 2019**
Projected Baseline Growth	20	22	80	23	23	23
Additional Outside Development	-	25	25	50	50	50
Water Rate Increase		-3%	-2%	0%	0%	2%
Sewer Rate Increase		-3%	-2%	0%	0%	2%
Projected Average Monthly Cost	**$114**	**$111**	**$109**	**$109**	**$109**	**$111**
Operating Revenue - Non-Growth	$5,243,686	$5,140,363	$5,154,867	$5,293,252	$5,445,039	$5,678,927
Operating and Capital Expenses - Non-Growth	$5,121,758	$5,349,026	$5,648,104	$5,462,076	$5,429,990	$5,577,313
Surplus / (Deficit)	**$121,928**	**($208,663)**	**($493,237)**	**($168,825)**	**$15,048**	**$101,614**
Capital Revenue - Growth	$987,994	$2,289,528	$5,024,035	$3,547,180	$3,703,322	$3,930,568
Capital Expenses - Growth	$1,228,906	$1,032,271	$1,043,073	$1,065,027	$1,183,523	$1,395,170
Surplus / (Deficit)	**($240,912)**	**$1,257,257**	**$3,980,962**	**$2,482,153**	**$2,519,799**	**$2,535,397**
Aggregate Surplus / (Deficit)	**($118,984)**	**$1,048,594**	**$3,487,725**	**$2,313,328**	**$2,534,847**	**$2,637,011**
Aggregate Cash and Cash Equivalents	**$4,137,933**	**$5,186,527**	**$8,674,252**	**$10,987,581**	**$13,522,428**	**$16,159,439**
Cash as a % of Annual Expenditures	63%	83%	136%	167%	196%	222%
Debt Service Coverage Ratio	0.96	1.73	3.08	2.23	2.13	2.05

Note: Rate increases beginning in fiscal year 2019 recognize that as debt service increases after fiscal year 2019 additional rate increases may be necessary to maintain positive coverage absent other mitigating factors such as increased consumption or system growth.

Next Steps

Proposed Next Steps

- February 25, 2014
  - Davenport presentation to include:
    - Proposed amendments to Fiscal Policy Guidelines;
    - Long-Term Financial Forecast per GFOA.
- March 24, 2014
  - Town Manager scheduled to deliver fiscal year 2015 Proposed Budget to Town Council.
- March/April
  - Advertise for Tax Rate and Budget. Hold public hearings and Town Council budget deliberations on the fiscal year 2015 Budget.
- May / June
  - Adopt fiscal year 2015 Budget and Multi-Year Capital Plan.

Appendix

Unassigned Fund Balance

- Maintaining reserve levels, most notably the Unassigned Fund Balance for the General Fund, **At or Above the Policy** minimum will be critical to maintaining or enhancing the Town's credit ratings.

Fiscal Year	Undesignated / Unassigned (1)	Operating Revenues		Fund Balance vs. Revenues
2003	$1,923,287	$4,288,076		44.9%
2004	2,363,474	4,641,559		50.9%
2005	1,725,713	4,891,901		35.3%
2006	2,137,481	6,310,708		33.9%
2007	2,599,404	6,666,485		39.0%
2008	3,145,905	6,780,133		46.4%
2009	3,768,574	6,887,060	(2)	54.7%
2010	4,415,059	6,938,874	(3)	63.6%
2011	4,368,340	6,962,946	(4)	62.7%
2012	3,427,576	7,125,670		48.1%
2013	3,884,533	8,244,213	(5)	47.1%

(1) Undesignated is shown from 2003 to 2010. Unassigned is shown 2011 and forward per update GASB standards.

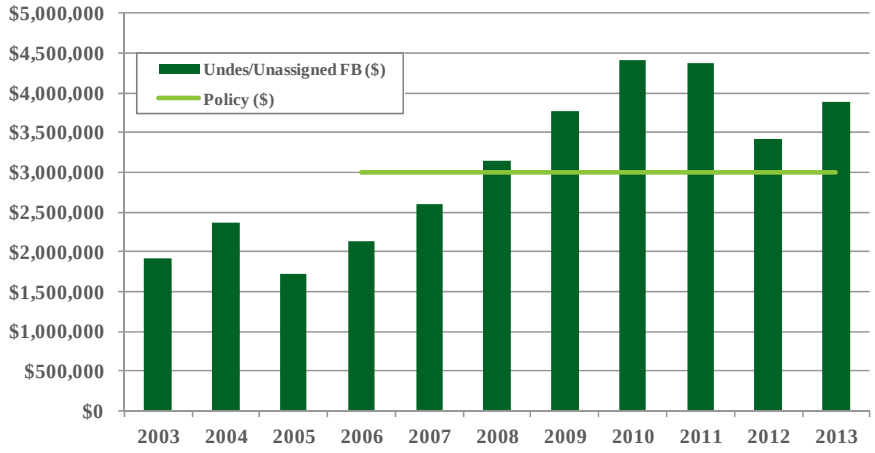
(2) Revenues in 2009 net of $1,875,307 of Loudoun County settlement monies.

(3) Revenues in 2010 net of $2,082,073 of Loudoun County settlement monies.

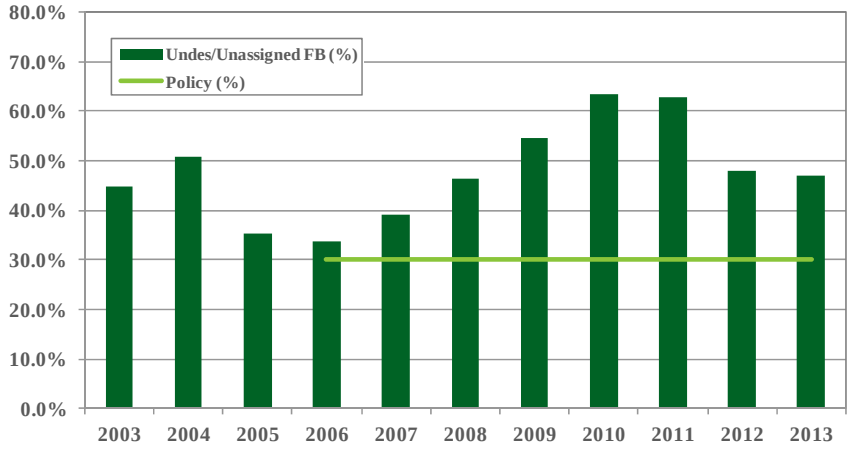
(4) Revenues in 2011 net of $2,106,173 of misc. revenues - mainly Loudoun County settlement monies.

(5) Revenues in 2013 include the General Fund and Parks & Recreation Special District.

Unassigned Fund Balance ($)



Unassigned Fund Balance vs. Revenues (%)

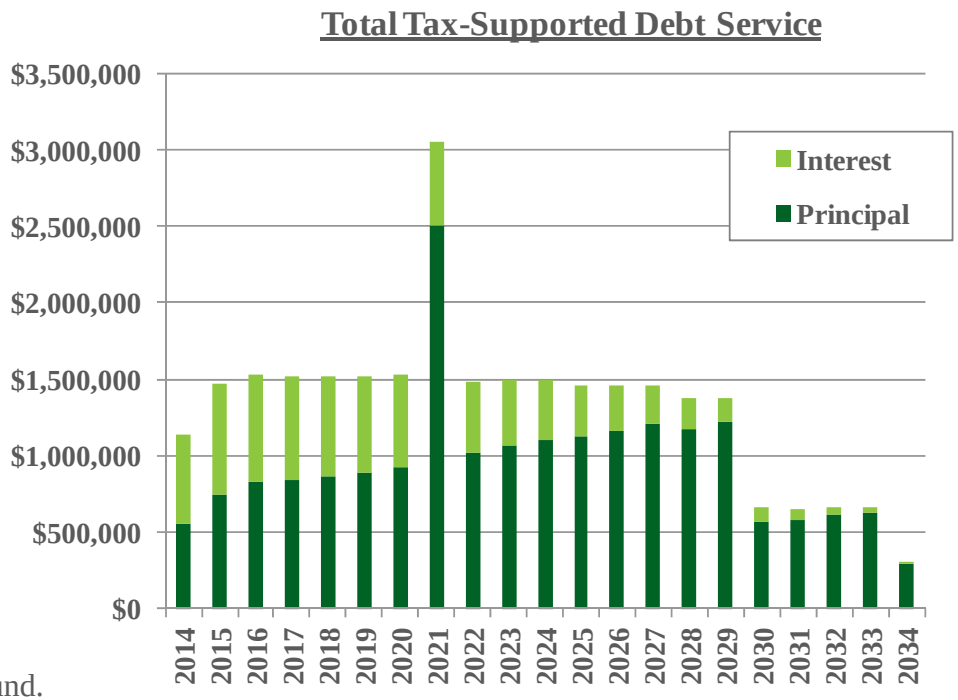


Tax Supported Debt Service

Total Tax-Supported Debt Service

Fiscal Year	Principal	Interest	Total
Total	**$20,015,474**	**$7,882,800**	**$27,898,274**
2014	557,013	589,308	1,146,321
2015	756,531	719,595	1,476,126
2016	833,543	696,367	1,529,910
2017	850,621	674,965	1,525,586
2018	872,766	652,606	1,525,372
2019	890,000	632,152	1,522,152
2020	925,000	602,884	1,527,884
2021	2,510,000	538,392	3,048,392
2022	1,020,000	470,269	1,490,269
2023	1,070,000	429,231	1,499,231
2024	1,110,000	385,988	1,495,988
2025	1,125,000	340,788	1,465,788
2026	1,165,000	297,131	1,462,131
2027	1,210,000	249,588	1,459,588
2028	1,175,000	199,838	1,374,838
2029	1,230,000	147,881	1,377,881
2030	570,000	93,219	663,219
2031	590,000	71,781	661,781
2032	620,000	49,500	669,500
2033	635,000	28,944	663,944
2034	300,000	12,375	312,375

- Tax-supported debt service (includes the General Fund and Parks & Rec Fund) after the issuance of the 2013 Refunding Bonds totals roughly $20 million.
- Annual debt service is roughly level and was lowered by via the issuance of the 2013 Refunding Bonds.
- $1.6 million Balloon payment in FY2021 was not refinanced due to federal subsidy that would be lost and prepayment premium that would be owed to the lender.

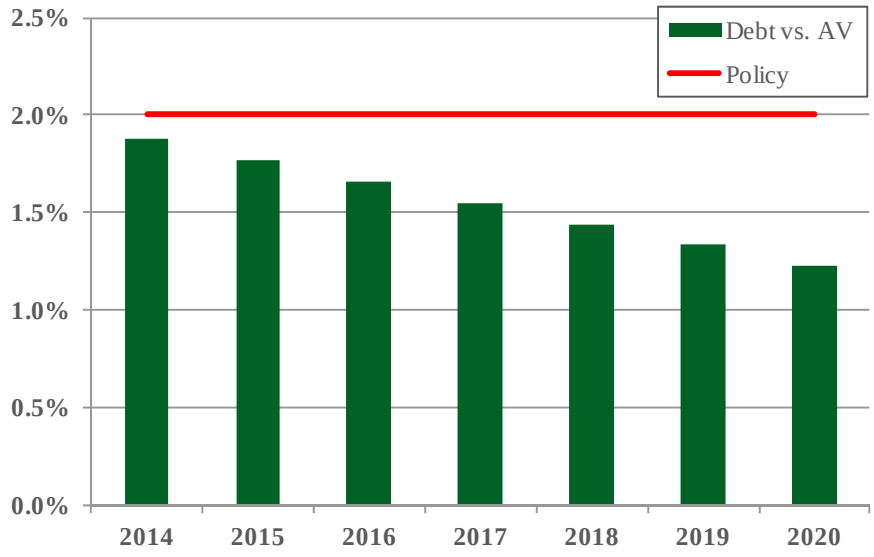


Tax Supported debt includes the General Fund and Parks & Recreation Fund.

General Fund Debt Policies

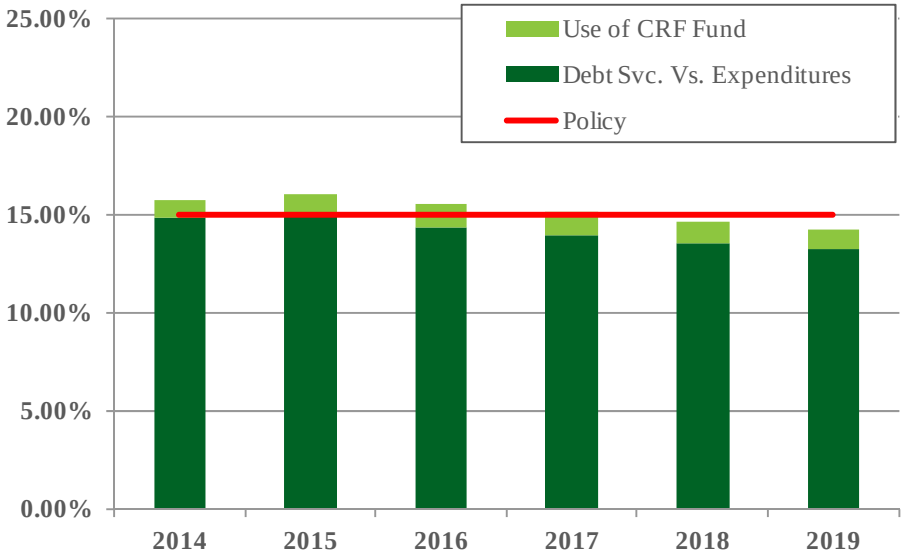
- Limited capacity for new Tax-Supported debt service currently exists versus the Town's existing.
- Growth in the tax base will help free up additional capacity for Tax-Supported Debt Service.

Debt vs. Total Assessed Value Policy



Projected Growth in Assessed Value = 2%

Debt Service vs. Expenditures



Projected Growth Expenditures = 3%

Tax Supported debt includes the General Fund and Parks & Recreation Fund.

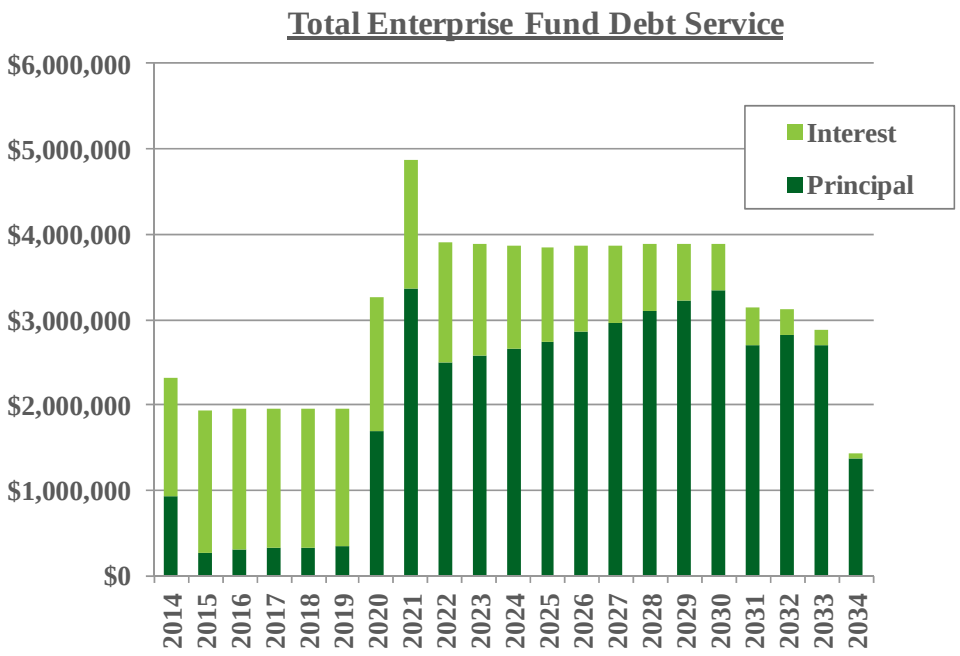
Existing Utility Debt Service

- Existing Utility Debt after the issuance of the 2013 Refunding Bonds totals approximately $43 million.

Total Enterprise Fund Debt Service

Fiscal Year	Principal	Interest	Total
Total	**43,088,279**	**22,605,787**	**65,694,066**
2014	920,245	1,393,847	2,314,092
2015	270,000	1,666,469	1,936,469
2016	305,000	1,654,179	1,959,179
2017	315,000	1,640,726	1,955,726
2018	330,000	1,626,514	1,956,514
2019	345,000	1,610,930	1,955,930
2020	1,683,355	1,586,211	3,269,565
2021	3,367,197	1,506,424	4,873,621
2022	2,491,984	1,407,307	3,899,290
2023	2,572,741	1,312,625	3,885,365
2024	2,659,495	1,214,696	3,874,190
2025	2,742,274	1,113,172	3,855,447
2026	2,856,107	1,008,527	3,864,634
2027	2,971,024	898,979	3,870,003
2028	3,097,053	784,750	3,881,803
2029	3,219,227	666,657	3,885,884
2030	3,342,577	543,770	3,886,347
2031	2,705,000	427,258	3,132,258
2032	2,825,000	298,833	3,123,833
2033	2,695,000	180,665	2,875,665
2034	1,375,000	63,250	1,438,250

- The structure of the utility debt was designed to: 1) limit the impact to rate payers; 2) allow time for additional growth to come online; 3) gradually rebuild Utility Fund reserves; 4) more evenly spread the cost of capital improvements over a greater number of users.



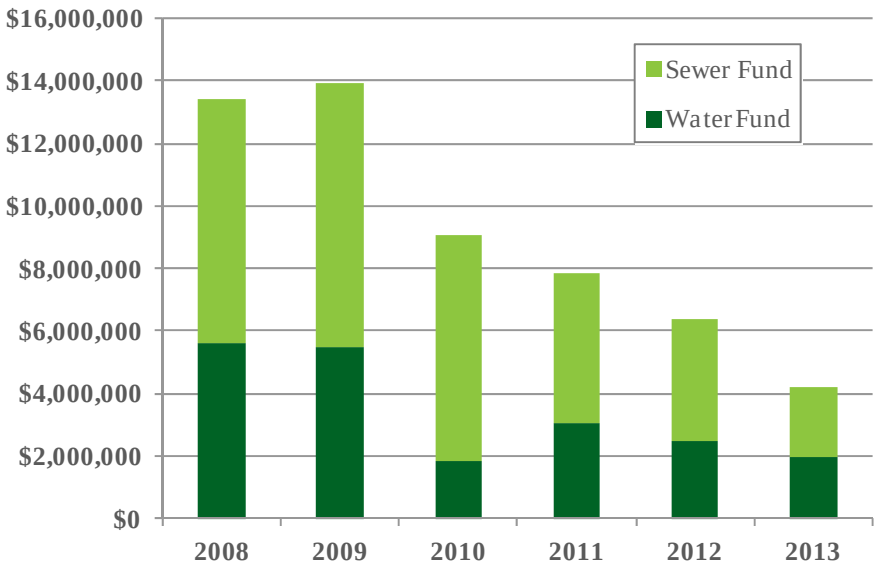
Existing Utility Cash & Equivalents

- Cash reserves in the Water and Sewer Utility funds have been utilized during the past five or so years to help offset the impact of slower than originally planned new growth.

- With the impact of the successful 2013 Refunding Bonds in place, an improving economy, and the potential for significant additional Economic Development, Davenport recommends that the Town consider updating its Water and Sewer Utility Cash Reserve Policy to:

  - Rebuild Water and Sewer Cash and Equivalents to be equal to 100% of Annual Expenditures, including debt service within a 5 year period.

- Based upon the fiscal year 2014 budget and post 2013 Refunding Debt Service this would equate to roughly $6.5 million.



Utility Cash & Equivalents

FY	Water	Sewer	Total
2008	$5,628,592	$7,784,394	$13,412,986
2009	5,508,338	8,404,191	13,912,529
2010	1,813,052	7,278,048	9,091,100
2011	3,046,201	4,801,599	7,847,800
2012	2,476,376	3,879,221	6,355,597
2013	1,942,327	2,281,417	4,223,744

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ATTACHMENT 5

Town of Purcellville's New Pay-for-Performance Program & Employee Performance Evaluation

APRIL 2014

Town of Purcellville Virginia

PURPOSE OF NEW PROGRAM

- Replace a compensation plan that was suspended during the economic downturn from 2009 to 2012
- Address a priority given by Town Council in last year's budget process
- Link compensation to an Annual Performance Evaluation that stresses customer service, leadership and high performance
- Implement a new Annual Performance Evaluation process that is streamlined and focused on the organizational culture that we want to promote in Purcellville
- Help the organization meet the new ever increasing expectations from our Town Council and residential/business community. "Simply coming to work and doing a marginal job" is no longer acceptable at our Town or at any level of government.
- Develop a program that is sustainable for the Town and doesn't collapse during tough economic times and become an unaffordable mandate.

COMPONENTS OF NEW PROGRAM/EVALUATION

Each year, all full-time and part-time employees, not on a performance improvement plan, will be eligible for a salary increase based on two components:

- Index Adjustment
- Bonus

The amount of the index increase will be set each year based on the consumer price index of the Washington Baltimore area and budget limitations.

The Compensation plan will be based on the new performance evaluation process that focuses on the following eight factors:

- Achievement of Goals
- Customer Service
- Quality of Work
- Reliability
- Initiative and Creativity
- Judgment
- Teamwork
- Leadership

Our Evaluation and Rating Scale will focus on the following three levels:

1 – Role Model Employee

2 – Value Contributor

3 – Unsatisfactory Performer

Scoring is based on golf – the lower the score, the better.

Employees will be rated in eight performance areas for an overall evaluation score:

- 8 - 10 (Role Model)
- 11 - 16 (Valued Contributor)
- 17 - 24 (Unsatisfactory Performer) (PIP)*

* An Employee who receives a "3" in any category will be provided with a training/development opportunity to improve that area as documented in the evaluation. A Performance Improvement Plan will be executed for scores of 17 or higher and/or scores that include two or more "3's".

Employees will be compensated as follows based on their Annual Performance Evaluation:

- Role Model (Index Adjustment and Bonus)
- Valued Contributor (Index Adjustment)
- Unsatisfactory Performer (No Index Adjustment and PIP)

All Role Model Employees eligible for bonuses must be reviewed and approved by a Management Team which will include the Town Manager, Assistant Town Manager and HR Specialist

TIMING AND LOGISTICS

TRANSITIONAL YEAR 2015

- All employees (full-time/part-time) will receive their regular existing evaluation in April/May 2014. All employees will receive a 2% index adjustment on July 1, 2014.
- The new performance evaluation will be applied in the Fall with Performance Bonuses of up to $1,500 being awarded on January 1, 2015 based on the new evaluation process.
- The bonus amount will be a fixed amount for all staff and not a percentage of salary for equality purposes. The bonus will not increase the base salary.

FY 2016 AND BEYOND

- Employees will be evaluated each April with a formal review meeting in May. The compensation approved in the budget process will be applied on July 1 of the new fiscal year.
- Overall evaluation score will determine index increase and/or bonus depending on budget funding.

IMPLEMENTATION TIMELINE

- Existing Performance Appraisals completed - May 2014
- Index Rate Adjustment of 2% applied to all staff - July 2014
- Training for Supervisors and Managers who will serve as evaluators will occur in the summer months around August 2014
- Implementation of new Performance Evaluation System - October 2014
- Bonuses awarded for Role Model Employees - January 2015
- Implementation of new Performance Evaluation System for entire year - May 2015
- Application of Index Rate Adjustment and Bonus for FY 2016 - July 2015

ATTACHMENT 6

Managing for Success Presentation

Performance Management

Town of Purcellville Virginia

Overview

1. Performance Management Framework
2. Why Measure Performance?
3. Town Council Mission Statement
4. Employee Core Purpose and Values

“Everything should be made as simple as possible. But not simpler.”

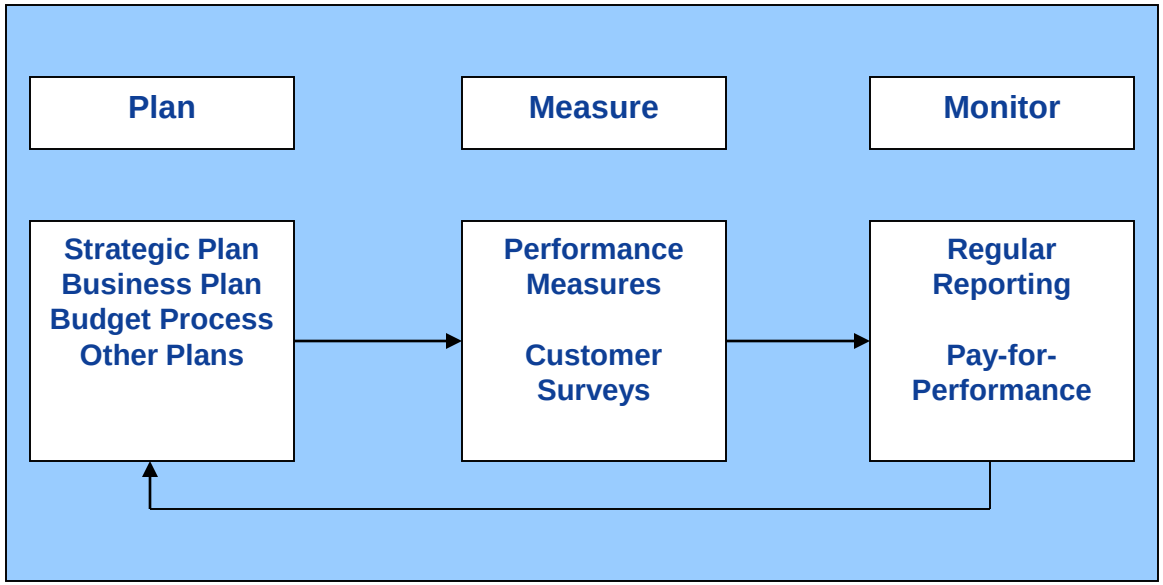
- Albert Einstein

“If something’s hard to do, then it’s not worth doing.”

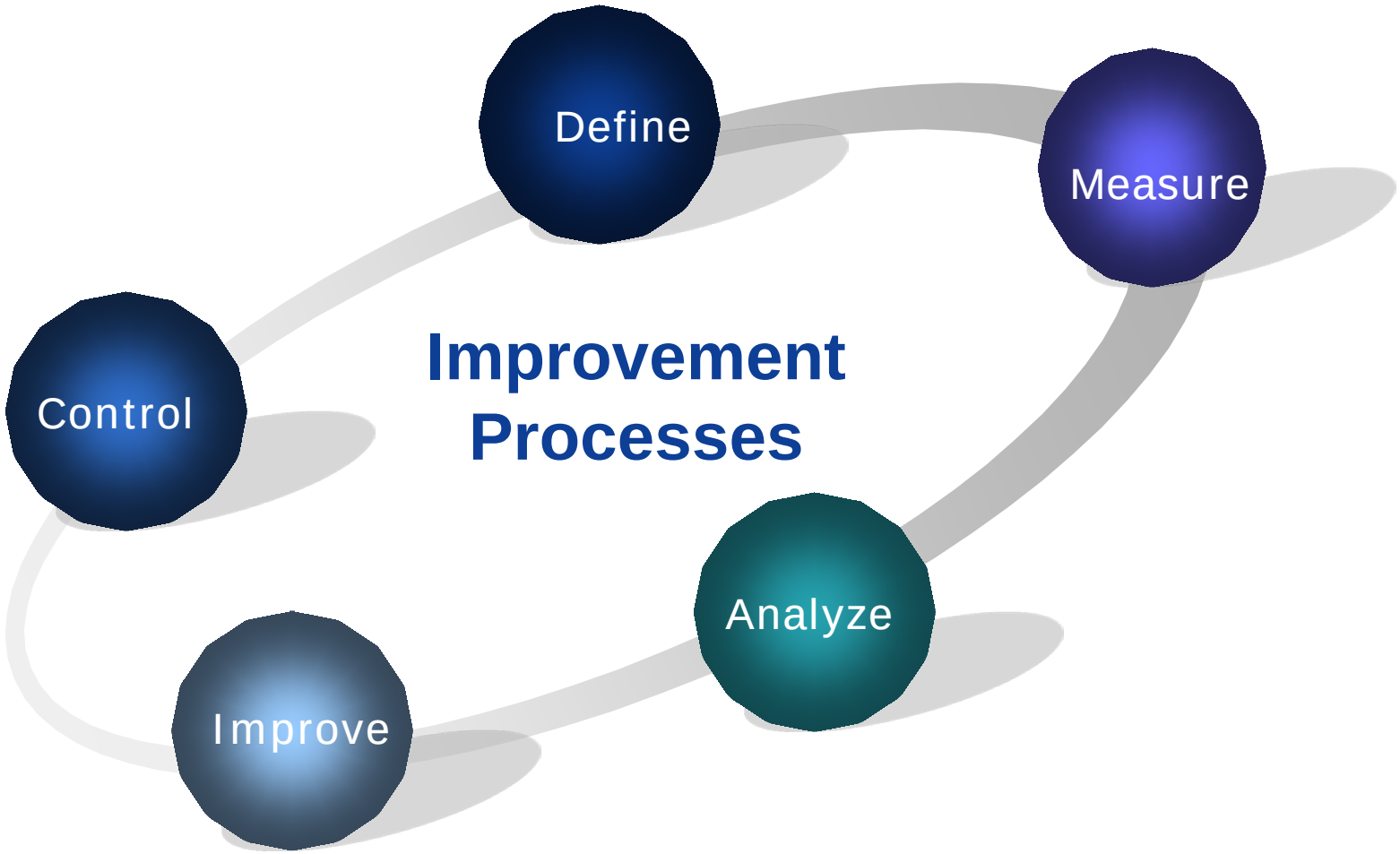
- Homer Simpson

Framework for Managing for Success

Performance Management is a tool for **strategic, business, operational planning** and implementation and evaluation with **measures** that can show how the Town is doing, underscore its **successes**, help identify where it can **make improvements** and are a part of an overall conceptual and strategic framework for **effective management**.



The DMAIC Improvement Model



Why Measure Performance?

- Accountability/Communication
- Support of planning/Budgeting efforts
- Catalyst for improved operations
- Program evaluation
- Reallocation of resources
- Directing operations
- Contract monitoring
- Benchmarking

Value of Measuring Performance

- Are services being provided efficiently and equitably?
- Do they meet expectations for quality?
- Could better services be provided at a more reasonable cost by contracting out some functions?
- Have deficiencies been identified and are improvements being made where needed?
- Do service results indicate that programs are being properly managed?

Climbing the Steps Toward Performance Management

Core Purpose/Goals	Objectives	Performance Measures	Analysis for Continuous Improvement
Core Purpose statements declare the Town's long-range intent; its purpose. Although the goals expressed in a core purpose statement may help shape the Town's values and its organizational culture, they often are imprecise and sometimes even a bit vague.	Objectives are unambiguous statements of the Town's performance intentions, expressed in measurable terms, usually with an implied or explicit timeframe.	Performance measures indicate how much or how well the Town is doing. Ideally, they track the Town's progress toward achieving its objectives.	Many towns compare this month's or this year's performance measures to those of the past. Some are beginning to make comparisons with other towns and to begin the process of benchmarking.

Town Council Mission Statement

As stewards worthy of community trust, we work to discern, define and implement an agenda to nurture and preserve our quality of life. Through our policies and leadership, we foster an open, cooperative and model government that encourages full public participation and ensures the level of services our citizens expect and deserve.

Employee Core Values

- ***Trust*** based on honesty, integrity, ethics, fairness, transparency and respect.

- ***Unity of Purpose*** achieved through collaboration, cooperation, flexibility and open communication.

- ***Commitment*** demonstrated through responsibility, accountability, dependability, initiative and empowerment.

- ***Professionalism*** based on passion for excellence, creativity, adaptability, and continued learning.

Core Purpose Statement

As employees of the Town of Purcellville, we provide exceptional services to our customers by ensuring that all programs and policies are managed to achieve the highest level of effectiveness, efficiency and fiscal responsibility. As trusted stewards partnering with stakeholders, we commit to foster a sustainable and livable community that is environmentally responsible and culturally rich.

Paraphrasing Einstein (and others)

- Recognize this is a way to create and run a more successful organization
- Use the tools and approaches that get results with the greatest ease and simplicity
- Create a smoother, more effective and efficient organization
- Plan-Do-Check-Act

"Unless you are keeping score, it is difficult to know whether you are winning or losing. This applies to ball games, card games, and no less to government productivity."

- Harry P. Hatry, The Urban Institute

Performance Management Rating System

Performance management is defined as using performance and financial information for making results-based decisions in the quest for providing efficient and effective services. This rating system is designed to help program managers gauge the level of commitment to performance management within their respective programs.

Based on the below five-point scale, review and rate each best practice for your program in order to calculate an overall score. Then use the interpretation scale to gauge your program's level of commitment to performance management.

1	2	3	4	5
Never given serious consideration or even heard of this.	Some efforts made but not consistent or regular.	Doing this on a periodic basis but requires lots of reinforcement.	Regular part of the work culture and generally accepted in the department.	Strong part of the work culture and recognized by others.

Categories		Best Practices	Rating (1-low to 5-high)
Mission	**Leadership**	You are personally committed to performance management for service improvement as good management and as an ethical obligation because you are spending public resources.	_____
		Performance management language (objectives, outcomes, strategies, improvement) is part of your daily conversation.	_____
		Periodic training is required in regard to performance measurement.	_____
		Experience in performance management is part of job announcements for supervisory positions and part of the interview process.	_____
	Goals and Objectives	Service delivery goals and quantifiable objectives are established for major programs and service areas.	_____
		Employees are provided opportunities to participate or provide feedback on departmental goals and objectives. .	_____
	Customers	You know who your customers are and understand what they want.	_____
		Feedback on customer needs and satisfaction is obtained on a periodic basis.	_____
		Subtotal for Mission **(should be between 8 and 40)**	_____

UNC SCHOOL OF GOVERNMENT

William Rivenbark
Dale Roenigk

Assessment	**Performance Measures**	Your measures are reflective of the program's goals and objectives. You collect a broad array of measures, including outputs, but concentrate on measures of efficiency and effectiveness for service improvement. Your measures provide you with information to support management decisions.	_____ _____ _____
	Comparative Statistics	You use comparative information (trends, objectives, targets, professional standards, or benchmarks) to assess performance.	_____
	Logistics	You have standard processes for data collection. Data are audited or reviewed on a periodic basis for accuracy and reliability.	_____ _____
		Subtotal for Assessment **(should be between 6 and 30)**	_____
Performance	**Reporting and Evaluation**	You report performance information on a semi-annual or annual basis for accountability (citizen and council review and budget preparation). You report performance information on a monthly or quarterly basis for operations and feedback to employees. You or staff members have the necessary skills for data analysis. You evaluate your performance (program evaluation, continuous process improvement, etc.) on a periodic basis.	_____ _____ _____ _____
	Change	Performance information is being used in your program to support and drive change for improvement. Employees understand and are part of change management.	_____ _____
	Rewarding Success	You acknowledge individuals or groups in regard to performance success (awards, recognition, bonuses, etc.). The role of performance management is part of personnel evaluations for supervisors.	_____ _____
		Subtotal for Performance **(should be between 8 and 40)**	_____
		Grand Total **(should be between 22 and 110)**	_____

Score	Interpretation
22-44	Not yet moving
45-66	Getting started but limited
67-88	Good performer with a solid base
89-110	Leader in performance management

William Rivenbark
Dale Roenigk

ATTACHMENT 7

Town of Purcellville

Performance Management Blueprint: Executive Summary

Date: May 30, 2008

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APPENDIX 14

TOWN OF PURCELLVILLE PERFROMANCE MANAGEMENT BLUEPRINT: EXECUTIVE SUMMARY

INTRODUCTION

In July 2006, the Purcellville Town Council held a retreat where it identified "Organization for Success" as a top priority. As a part of this priority, the Council included the need to accomplish the following:

- Start a formal executive project management review for performance management, project management and key Town initiatives.
- Institute a performance management structure for the Town of Purcellville.
- Set performance targets and a means to measure annual performance.
- Develop and implement performance measures for Utilities, Public Works and Streets and Maintenance Operations.

At their retreat in July 2007, the Town Council reiterated that "Organization for Success" continues to be an ongoing priority. The Town also adopted a new pay plan which includes funding tied to the implementation of a performance management program with departmental goals, objectives and measures as well as a pay-for-performance system.

BACKGROUND

The Town Council Mission Statement is a strategic basis for the overall organizing for success program and its implementation is outlined in the project management schedule in the Appendix. The project schedule includes the objectives, major tasks, target dates, costs, summary and forecast which highlight the status of the project and the essential steps and resources.

Town Council Mission Statement

> As stewards worthy of community trust, we work to discern, define and implement an agenda to nurture and preserve our quality of life. Through our policies and leadership, we foster an open, cooperative and model government that encourages full public participation and ensures the level of services our citizens expect and deserve.

While the Project Objective is to "Create and Implement Performance Management/Pay-for-Performance System," the broader strategic goal is for the Town to continue to find

ways to improve how it does business and provide efficient and effective local government services. This has been the philosophy of the Town for some time and is intended to be put into action through its evolving version of a performance management program. For instance, the target dates of the project schedule begin in October 2007 but it should be noted that background research on performance management has been conducted by the Town over the past few years as information has become more available. Also, the Adopted Budget for FY2007-08 contains elements of performance management such as departmental mission statements, objectives and measures. Ultimately, the Town is interested in further developing its performance management program to reflect results-oriented government with more emphasis on strategic decision-making.

Over the past several months, Town staff has explored performance management by talking with other organizations implementing performance management, reading books, communicating with consultants, requesting proposals from the private sector, etc. Also, some staff has experience in other organizations implementing performance management. The comprehensive survey reveals that the models all refer to the basic process of planning, measuring and monitoring which is highlighted in this guide.

As shown as the first step under Major Tasks, meetings have been held and are ongoing with the Management Team on performance management. These meetings have included reviewing the concepts and documents which outline the various models and processes. Benefits of these meetings include getting management involved, assuring on-going communication, training, and otherwise cultivating the necessary organizational culture for this type of change in the way the Town does business.

Upon discussions with the Management Team, Town staff prepared a Request for Proposals (RFP) from qualified firms to assist the Town with creating and implementing a "turnkey" Performance Management/Pay-for-Performance System. In December 2007, the RFP was sent to approximately 15-20 local and national firms that advertise expertise in performance management and pay-for-performance. An identified advantage of soliciting proposals is to gain comprehension of the capacity and potential efficiencies that can be provided by the private sector. While several firms expressed interest and understanding of the RFP's Scope of Services, only one firm submitted a proposal which covered all of the services requested. This "complete" proposal and the other plans from private firms were presented to the Ways and Means Committee at their regular meeting in January 2008. At this meeting, the Committee suggested that staff develop a simpler approach without assistance from the private sector.

Soon after the January 2008 Ways & Means meeting, Town staff met with a professor, Dr. David Ammons, with the University of North Carolina School of Government. Dr. Ammons has written several books and articles and teaches university courses on performance management. Dr. Ammons expressed a willingness to work with the Town on its performance measures and objectives especially since he was authoring a book on the subject to be published by the International City/County Management Association (ICMA). At this time, Town staff has not requested a proposal from Dr. Ammons.

In line with the Town Council Mission Statement and priorities, each Town department has a Mission, Departmental Description and Objectives included in the current Adopted Budget and Proposed Budget. All of these elements are refined so that performance management will be a stronger part of the organizational culture to continuously look for ways to improve services, be a vehicle to support and drive change and improvement, empower employees to make them a part of change management and have a mechanism to reward success. The pay-for-performance piece of the performance management program will be tied to the business plans, performance measures and objectives developed by departments.

The Town has approximately 72 employees and is organized as follows: Administration, Finance, Information Technology, Police, Public Works, Streets and Maintenance, Wastewater, Water, and Capital Projects. An Organization Chart is attached in the Appendix.

PERFORMANCE MANAGEMENT OVERVIEW

Performance management and performance measurement are intertwined and the terms are often used interchangeably to describe an important tool for strategic, business, and operational planning, implementation and evaluation. Performance measures can show how the Town is doing, underscore its success, help identify where it can make improvements and are a part of an overall conceptual and strategic framework for more effective management. Two definitions of Performance Management found in the literature are as follows:

1. Performance management is defined as using performance and financial information for making results-based decisions in the quest for providing efficient and effective services.

2. Performance Management is a tool for strategic, business, operational planning and implementation and evaluation with measures that can show how the Town is doing, underscore its successes, help identify where it can make improvements and are a part of an overall conceptual and strategic framework for effective management.

A common depiction of the steps toward performance management found in the literature and documents of other jurisdictions is shown in the table on the next page.

Table 1: Steps toward Performance Management

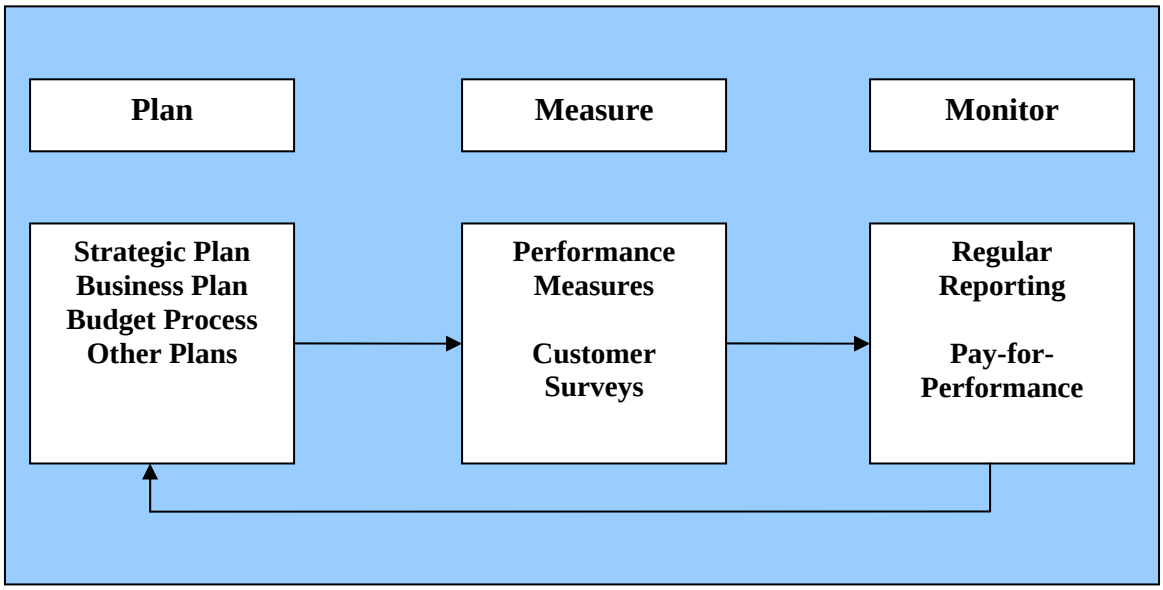
Core Purpose/Goals	Objectives	Performance Measures	Analysis for Continuous Improvement
Core Purpose statements declare the Town's long-range intent; its purpose. Although the goals expressed in a core purpose statement may help shape the Town's values and its organizational culture, they often are imprecise and sometimes even a bit vague.	Objectives are unambiguous statements of the Town's performance intentions, expressed in measurable terms, usually with an implied or explicit timeframe.	Performance measures indicate how much or how well the Town is doing. Ideally, they track the Town's progress toward achieving its objectives.	Many towns compare this month's or this year's performance measures to those of the past. Some are beginning to make comparisons with other towns and to begin the process of benchmarking.

While keeping in mind scale and size of organization and population, one document that has been particularly useful for Town staff is *A Guide to Results-Oriented Government and Performance Measurement* developed by the Miami-Dade County Office of Strategic Business Management. Examples of performance measures have been gathered from sources such as:

- The International City/County Management Association (ICMA) Comparative Performance Management Program
- The Government Accounting Standards Board (GASB) Service Efforts and Accomplishment (SEA) project
- The University of North Carolina at Chapel Hill School of Government
- Fairfax County Virginia Department of Management and Budget
- Town of Leesburg, Virginia
- The City of Austin, Texas ePeformance Measures

During the initial implementation phase of performance management, Town departments are selecting and tracking at least one measure from each of the types of performance measures: Output (Workload), Efficiency and Outcome (Effectiveness). More information on measures is found later in this document.

FRAMEWORK FOR MANAGING FOR SUCCESS



A basic framework of service excellence through results-oriented government builds on the concepts Plan, Measure and Monitor which can be defined as follows:

- **Plan** – To build on the Town's Comprehensive Plan, Budget and Capital Improvement Program through the business planning and budget process – a well-executed plan promotes a common understanding of the Town's overall direction so that employees can readily determine how their work supports the strategic direction and organizational success.

- **Measure** – To refine performance measures and measurement systems to ensure that measures are appropriate, accurate, reliable and timely.

- **Monitor** – To enhance accountability to our elected officials and residents through performance reporting, performance appraisals and organizational assessments.

CORE VALUES

In *Good to Great*, Jim Collins discusses the concept of *Core Ideology* and the importance of instilling core values and core purpose as principles to guide decisions and inspire people throughout the organization over a long period of time. Values are traits or qualities that are considered worthwhile and represent an individual's highest priorities and deeply held driving forces. Put simply, values give an understanding for what an

organization stands for and ties into why it exists, or its core purpose.

The following are examples of values: competency, individuality, equality, integrity, service, responsibility, accuracy, respect, dedication, diversity, improvement, enjoyment/fun, loyalty, credibility, honesty, innovativeness, teamwork, excellence, accountability, empowerment, quality, efficiency, dignity, collaboration, stewardship, empathy, accomplishment, courage, wisdom, independence, security, challenge, influence, learning, compassion, friendliness, discipline/order, generosity, persistence, optimism, dependability, flexibility.

At the Virginia Local Government Managers Association (VLGMA) Conference in February 2008, a presentation by staff from the International City/County Management Association (ICMA) and the City of Williamsburg entitled, *The Manager's Role in Moving Your Community from Good to Great*, discussed developing core values and a core purpose statement. The presenters said that after shared core values have been identified by the group, each individual should "test" the value against questions such as the following:

- Would you say that those who do not share this core value or consistently disregard it simply do not belong in the organization?
- Would you personally continue to hold this core value even if it caused discomfort or conflict or became a strategic disadvantage?
- Would you change jobs before giving up this core value?

Another question considered is, "How do we translate our values into daily activities?"

The Performance Management Team (PMT) considered the various examples of values and the aforementioned questions when brainstorming to develop its Core Values:

Core Values

Trust based on honesty, integrity, ethics, fairness, transparency and respect.

Unity of Purpose achieved through collaboration, cooperation, flexibility and open communication.

Commitment demonstrated through responsibility, accountability, dependability, initiative and empowerment.

Professionalism based on passion for excellence, creativity, adaptability, and continued learning.

Each department has reviewed the Core Values as a part of their strategic planning

efforts.

CORE PURPOSE STATEMENT

With the Core Values established, the PMT used these to create a Core Purpose Statement to reflect who we are and what we stand for as a group. After the shared Core Purpose Statement was written, the group "tested" it against the following questions:

- Would you feel proud to be part of an organization with this core purpose?
- Would this statement help you to say "Yes" to the important goals and activities and "No" to those that do not support this statement?
- Would people in your organization see this statement as real instead of aspirational?
- Is this statement authentic for you?

Below are additional questions considered:

- How does the Core Purpose Statement relate to Town Council's Mission Statement?
- How does each departmental Mission relate to the organization's Core Purpose?
- How do we carry out the Core Purpose on a daily basis?

The Core Purpose Statement is being shared with all departments and will be used to guide organizational and departmental business plans including its goals, objectives, performance measures and performance appraisals.

Core Purpose Statement

As employees of the Town of Purcellville, we provide exceptional services to our customers by ensuring that all programs and policies are managed to achieve the highest level of effectiveness, efficiency and fiscal responsibility. As trusted stewards partnering with stakeholders, we commit to foster a sustainable and livable community that is environmentally responsible and culturally rich.

GOAL STATEMENTS

Goals give more specific direction on how the department will achieve its mission; however, they are generally not quantified and span multiple fiscal years. On the following page is a useful template distributed to employees for writing or validating goal

statements.

To provide/produce (service or product) *to (customer)* *in order to (statement of accomplishment)*

- Begin with "To" and a verb
- Say generally what the department/program does
- Identify customers
- State why the department/program exists
- Be associated with an outcome indicator (statement of accomplishment)

Examples of Well Written Goals

- To minimize loss of life and property
- To enhance recreational opportunities for community residents
- To provide public services that are responsive to citizen needs and desires

OBJECTIVES

Objectives are outcome-based statements of specifically what will be accomplished within the budget year. Each departmental program will have at least one objective statement and at least one indicator of each type, i.e., output, efficiency and outcome. The objectives should demonstrate progress toward the goals.

Well Written Objectives Are S-M-A-R-T

- Specific
- Measurable
- Aggressive but Attainable
- Results-oriented
- Time-bound

In general, an objective should address the following:

- Support the department/program goal statement
- Reflect planned benefits to customers
- Be written to allow measurement of progress
- Be quantifiable within the fiscal year time frame
- Describe a quantifiable future target level (if appropriate)

The following template is suggesting for writing an objective statement:

To improve/reduce (accomplishment) *By (a number or percent) from X to Y,* *[toward a target of (a number)].* *Note: The last (target) part is optional; to be used as appropriate.*

Examples of Well Written Objectives

- To reduce the rate of infant mortality by 10 percent in FY2011
- To reduce the number of traffic accidents by 5 percent in FY2012
- To develop acceptable recommendations for improving traffic flow by May 20, 2014

PERFORMANCE MEASURES

As mentioned in the previous section, the three key measures most relevant to tracking and improving performance in local government are the following:

- **Output (Workload) measures** – Tells "how much" or "how many."
  Example: Number of meters repaired.

- **Efficiency measures** – Relate outputs to resources consumed (e.g., unit costs, output per labor-hour).
  Example: Cost per meter repair.

- **Outcome (Effectiveness) measures** – Tells "how well" (e.g., indicators of quality or progress toward objectives).
  Example: Percentage of repaired meters still functioning properly six months later.

Each department will have at least one measure of each type for every program area. A performance management template was developed for use by departments and includes department mission, core values, program goal/description, key program objectives and performance measures. An example of this template is included in the Appendix.

PAY-FOR-PERFORMANCE

As mentioned, the Town Council has expressed its interest in the Town

implementing pay-for-performance in order to better acknowledge individuals in regards to performance success. An article distributed to the PMT, *Pay for Performance: The Road to Success* by Howard Risher and Bill Wilder, says:

> "'Pay for performance' refers to an annual increase in an employee's base pay linked to the employee's performance rating. The phrase has effectively replaced 'merit pay.' The purpose of pay for performance is to provide employees with a monetary incentive to improve their performance. In the private sector, the phrase also refers to the use of cash incentives for groups or teams and individuals."

This component is considered by the Town as an important way to monitor progress of employees and performance management within the Town organization as shown in the Framework on page 7. With this in mind, Town staff revised the employee performance evaluation tool with input from employees and based upon the book by human resources and performance management consultant Dick Grote, *The Performance Appraisal Question and Answer Book: A Survival Guide for Managers.*

The revised performance planning and evaluation forms are customized for each newly created category: Managerial/Supervisory, Professional/Technical, Operations/Administrative. For all categories, there is a section for the appraisal of Town-wide competencies: Personal Responsibility, Citizen Focus, Ethics/Integrity, Follow-Up, Positive Attitude and Results Orientation. Also, in general, the appraisals include specific category competencies, key position responsibilities, appraisal of important goals, major achievements/contributions and a section for employee comments. The performance ratings and scale which will ultimately determine the percentage increase, if any, includes from highest to lowest: Distinguished, Superior Performance, Meets Expectations, Needs Development, Marginal. All of the competencies, terms, ratings, etc. are defined in the appraisal forms.

As indicated in the *Timeline for Projects and Activities Related to Performance Management* in the Appendix, the Pay-for-Performance program will be initiated with performance evaluations in May-June 2008 with the appraisal tool that has been in use for the past several years. Immediately thereafter, the new appraisal tool described above will be used for developing work plans, mid-year discussions and for end-of-year performance appraisal.

CODA

The timeline mentioned in the previous section was distributed at the performance management meetings that were held in May 2008 for the purpose of engaging all employees, gathering feedback and explaining the program. This tailored performance

management program is in its infancy and will grow and evolve overtime as employees become more familiar with it and the measures and processes develop and become refined. Organization-wide meetings will continue to be held and the culture will further progress toward "using performance and financial information for making results-based decisions in the quest for providing efficient and effective services." A way to monitor the advancement of the program is through the use of a rating system such as the Performance Management Rating System included in the Appendix. This rating system uses a five-point scale and is designed to help managers gauge the level of commitment to performance management. With ongoing commitment from the community, Town Council and Town staff, the Town of Purcellville will become a leader in performance management.

APPENDIX

Project Management Schedule
Organization Chart
Performance Management Template
Timeline for Projects and Activities Related to Performance Management
Performance Management Rating System
Presentations at May 2008 Employee Meetings

ATTACHMENT 8

TOWN OF PURCELLVILLE

COMPENSATION STUDY

November 2006

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This report is intended solely for the information and benefit of officials of the Town of Purcellville, Virginia.

TOWN OF PURCELLVILLE

COMPENSATION STUDY

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TOWN OF PURCELLVILLE

COMPENSATION STUDY

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EXECUTIVE SUMMARY

- **Objectives and Approach**
- **Principal Recommendations**
- **Implementation**

EXECUTIVE SUMMARY

This executive summary outlines the overall objectives and approach, the principal recommendations and implementation steps of a compensation study for the Town of Purcellville.

OBJECTIVES AND APPROACH

The overall purpose of the study is to update the classification and compensation plan of the Town of Purcellville. This included developing methods of compensating employees for their relative duties and responsibilities as well as competitive market considerations More specific objectives were to ensure that employees are:

- Appropriately titled and graded in relationship to their job duties;
- Paid salaries at levels competitive with prevailing practices of other comparable local governments and local employers;
- Motivated - individually and collectively - to strive to meet and exceed Town goals.

The scope of the study included all Town positions.

The principal tasks included:

- Employees' completion of a position questionnaire, describing their duties and responsibilities and interviews with department heads.
- Design and application of a quantitative job evaluation plan to ensure internal equity.
- A survey of the salaries and benefits of other regional governments and public employers in Loudoun County to ensure external competitiveness with others doing comparable work.

The study has resulted in reclassification of certain positions, a streamlined grade/range structure, new pay ranges and recommendations regarding related policies.

PRINCIPAL RECOMMENDATIONS

1. Retitling of approximately 20% of Town employees. The titles of 13 Town employees have been changed to more accurately reflect their current duties. In particular, Town clerical and secretarial classes have been realigned under "associate" class series to recognize the extent to which these individuals must be able to work in an automated office environment.

2. Design of an streamlined 16-grade salary structure. All Town positions have been assigned to one of the 16 salary grades on the basis of points received for designated job factors.

3. Development of competitive and affordable salary ranges that provides the Town's workforce additional opportunities for advancement. The recommended ranges take into consideration the Town's evolution as a rapidly growing geographic area which mirrors the Loudoun County area in housing values and others costs of living. Hence, it is recommended that the Town adopt salary ranges that would approximate the Loudoun employers at lower grade levels while remaining below these and other employers at higher grade levels given the Town's size. Moreover, the Town actual salaries are below market midpoint levels. Consider that average actual employee salaries are 88% of market midpoint salaries; this means that the average employee salaries are 12% below market midpoint levels. Low employee salaries makes Town vulnerable to losing experienced employees to other employers.

4. Establishment of an innovative way to relate salary advancement to competitive market conditions and individual performance. The Town should adopt an "open range" pay plan where the concept of "salary/midpoint" would replace the current salary increase system. Under an "open range" system, the manner of salary administration is based on the relationship of employee salaries to the midpoint of their salary ranges (or the market rate) and their individual job performance.

IMPLEMENTATION

Although the immediate cost to implement the salary ranges is less than one percent of payroll, this is only the cost to raise the salaries of employees who fall below range minimums. A more realistic cost factor is approximately 8-9% of payroll to insure that Town salaries remain competitive with the other public employers surveyed in 2006; most, if not all, will be raising their ranges during 2007.

The Town Council should review the report in detail before accepting it in principle. Acceptance in principle means agreement with the overall intent of the recommendations even though there may be questions on specific details.

I - INTRODUCTION

- **Objectives and Scope**
- **Study Approach**
- **Report Arrangement**

I. INTRODUCTION

This report presents the results of a study for the Town of Purcellville, Virginia. This introductory chapter outlines the objectives and scope of the study, describes the approach used, and sets forth the arrangement of the report.

OBJECTIVES AND SCOPE

The overall purpose of the study has been to conduct a classification and compensation study for the Town of Purcellville. This would include developing methods of compensating employees for their relative duties and responsibilities as well as competitive market considerations. More specific objectives were to:

- Perform a job analysis by employees' completion of a position questionnaire.
- Assign all positions to the appropriate classes in the revised classification structure including documented FLSA status.
- Develop and apply the job evaluation system to every position title in order to internally define the work of the positions relative to each other and serve as a foundation for future growth and change.
- Conduct a compensation survey of comparable positions in other relevant public and private employers.
- Develop a salary grade structure.
- Design salary range structure.
- Provide recommendations regarding implementation and maintenance of proposed plans and their associated costs so the Town will have the study available for consideration for in its budgeting process.
- Provide for a draft report for internal review, and based on comments submit a final report.
- Make oral presentation of the final report to the Town and Town staff.
- Provide the Town with the data and structure in a personal computer format so the Town Human Resources staff can perform their own revisions, annual updates.

The scope of the review included all Town positions.

STUDY APPROACH

Early in the study, available documents and data on existing compensation arrangements were assembled and reviewed. These materials included the present pay schedule, class specifications, benefit plans, organization charts, and other materials concerning each department. Each employee was requested to complete a six-page position questionnaire describing the duties and responsibilities of his or her position. Nearly every Town workers completed the position questionnaire with participation from every Town department; in fact, employee participation in almost all departments was nearly one hundred percent.

Interviews were conducted with Town department heads and other managers to obtain information concerning department functions, the relationships of the various positions being studied, and their opinions on internal equity and external competitiveness. Using information from the completed questionnaires and interviews, employees were assigned to the appropriate class title. A job evaluation plan was designed and applied to all classifications. On the basis of the evaluation process, all classes were divided into a sufficient number of salary grades to reflect relative differences in responsibilities.

Simultaneously, a compensation survey was conducted of comparable positions in other public sector organizations. Survey questionnaires, which included descriptions of benchmark classes, were sent to these outside organizations to obtain salary information. Competitive salary trend lines were developed following statistical analysis of the survey data obtained. These trend lines represented the prevailing market salaries for positions at each proposed grade level. New salary ranges were developed on the basis of the competitive salary trend lines. Salary administration policies and procedures for the salary plan were also developed and costs of implementation were estimated. Finally, this report was prepared to document the study's recommendations.

REPORT ARRANGEMENT

Following this introductory chapter, this report has four additional chapters and five appendices:

- **II. Internal Equity:** describes major steps taken to classify, evaluate and grade jobs and to determine salary grade assignments.
- **III. External Competitiveness:** presents the results of the compensation survey data for comparable positions, the comparative salary trend lines, and the proposed salary ranges.
- **IV. Administration and Maintenance:** discusses how to administer and maintain the plan.
- **V. Implementation:** suggests next steps to implement the proposed classification and compensation plan.

The five appendices are:

- Appendix A Proposed Class Titles
- Appendix B Proposed Title Changes
- Appendix C Job Evaluation Plan
- Appendix D Benefit Survey Results
- Appendix E Performance Appraisal Plan

II - INTERNAL EQUITY

- **Position Classification**
- **Job Evaluation**
- **Salary Grade Determination**
- **FLSA Determination**

II. INTERNAL EQUITY

This chapter presents the principal steps taken in assigning Town positions to class titles and in evaluating and grading proposed classes to ensure internal equity. It is divided into the following sections: position classification, job evaluation, salary grade determination, and FLSA determination.

POSITION CLASSIFICATION

A key objective of the study was to classify new employees under titles which accurately described the work performed by the Town employees. To accomplish this goal, position questionnaires were completed by most employees and a number of interviews were conducted to provide up-to-date information on the duties, responsibilities and qualifications required for all positions. In developing a new classification structure, it was necessary to retitle some Town positions. An alphabetical list of Town Classes is contained as Appendix A to this report. A list of individuals whose positions have been reclassified is contained as Appendix B to this report.

JOB EVALUATION

A job evaluation plan was developed for comparing the duties and responsibilities of Town positions to selected quantifiable criteria (i.e., job evaluation factors). A number of specific evaluation factors, tailored to the characteristics of the classes, were selected. Each factor selected measures a significant and distinct characteristic or element of a class with a minimum of overlap and applies to all classes to varying degrees. Evaluation factors were selected using the following criteria:

- Each factor selected must measure a significant and distinct characteristic or element of a class with a minimum of overlap.
- Each factor must apply to all classes to varying degrees.
- The number of factors must be held to a minimum for ease in evaluation and administration.
- The factors must be derived from an analysis of job content on the basis of data derived from the completed questionnaires and interviews.
- The factors, taken together, must embody all significant characteristics of the classes being evaluated.

On the basis of these criteria, seven evaluation factors were selected - Job Complexity, Education/Experience, Scope and Impact, Supervision Received, Working Relationships, Working Environment, and Physical Demands. Definitions of each factor were prepared for use in the evaluation process. Evaluation weights were applied to each factor to reflect its relative importance.

The following table shows the evaluation weights (expressed as a percentage of the total) established for the seven evaluation factors

Factor	Weight
Job Complexity	25.0%
Education/Experience	10.0
Scope and Impact	30.0
Supervision Received	10.0
Working Relationships	20.0
Working Environment	3.0
Physical Demands	2.0
	100%

A summary of the factor definitions are found in Exhibit 1. Each Town job was compared with all other jobs, one factor at a time. Each comparison is limited to the specific characteristics of the factor being considered. For example, for the factor "Scope and Impact," each class was ranked as specifically and concretely as possible in terms of the range of opportunity to effect or influence results; on the other hand, the factor "Supervision Received" measures constraints on (or conversely, latitude for) decision-making.

This process resulted in establishing relative levels or ranks for all classes on each of the factors. Although each level represents a significant difference from the level above and the level below, it is not defined as possessing some absolute amount of the characteristics relative to all other classes. The numbers of evaluation levels are not preestablished but are determined entirely by the comparison ranking process. Classes considered equivalent were grouped at the same level.

After grouping the classes, the factor level was recorded for each classification. The same process for assigning ranking levels was repeated for each of the other factors. Next, evaluation point scores were assigned to each level for each factor. The points assigned were computed to reflect the relative weights of each factor. Appendix C further describes the proposed job evaluation plan.

Exhibit 1

JOB EVALUATION FACTORS

JOB COMPLEXITY: This factor covers the nature, number, variety, and intricacy of tasks, steps, process, or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and originality involved in performing the work. This factor also covers the judgment needed to apply guidelines, the nature of guidelines, and authority to depart from and to adopt guides.

EDUCATION AND EXPERIENCE: This factor measures the combination of formal education, training and practical experience needed to fully perform the requirements of the job.

SCOPE AND IMPACT: This factor covers the purpose, breadth, and depth of the assignment, and the effect of work products or services both within and outside the organization.

SUPERVISION RECEIVED: This factor covers the nature and extent of direct or indirect controls exercised by the supervisor, the employee's responsibility, and the review of completed work, Controls are exercised by, the supervisor in the way assignments are made, instructions are given to the employee, priorities and deadlines are set, and objectives and boundaries are defined.

WORKING RELATIONSHIPS: This factor refers to the responsibility to deal with individuals or groups, such as representatives of organizations, legislative bodies, or community groups to accomplish work objectives. Consideration is given to the purpose of contacts, their difficulty, importance, and level within or outside the organization.

WORK ENVIRONMENT: This factor measures the discomforts or unpleasantness of the work environment. Frequency of exposure to unpleasant or discomfiting conditions is considered. This factor also considers the hazards present on the job even through all reasonable safety precautions have been taken.

PHYSICAL DEMANDS: This factor covers the requirements and physical demands placed on the employee by the work assignment. This includes physical characteristics and abilities and the physical exertion involved in the work. The frequency or intensity of physical exertion is also considered.

SALARY GRADE DETERMINATION

After each class was assigned weighted evaluation points, evaluation point scores for each class were added to produce a total weighted point score. The total weighted points were numerical representations of the relative value of Town classes, which formed the basis for grouping classes of comparable value into position grades. The total weighted points were reviewed to determine the number of salary grades needed to differentiate among the classes. To establish the number of salary grades, the following criteria were used:

- Each salary grade should include only classes of comparable value.
- A sufficient number of grades should be created to cover all organizational and supervisory levels within the Town's departments.

On the basis of these general principles, various grade groupings were tested and a 16 grade structure was developed. The assignment of classes to salary grades is shown in Exhibit 2 following this page.

FLSA DETERMINATION

As part of the study, it was necessary to designate each position as being either exempt or non-exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). FLSA exempts employees who meet designated management, professional and administrative criteria. Given these criteria, it is recommended that employees in Grades 11 and below of the proposed ranges should be considered non-exempt (i.e., eligible for overtime pay) except that (1) single-asterisk positions in Grade 12 and above should be considered nonexempt (i.e., eligible for overtime pay) and (2) double asterisk positions in Grade 11 and below should be considered exempt.

TOWN OF PURCELLVILLE
GRADE ASSIGNMENTS

Salary Grade	Proposed Class Title
16	Town Manager
14	Assistant Town Mgr Director, Capital Projects Director, Planning and Zoning Director, Streets & Maintenance Director, Utilities Finance Director Police Chief
12	Human Resources Officer[1] Information Technology Officer[1] Superintendent, Wastewater* Superintendent, Water Plant*
11	Assistant Finance Director** Assistant Town Planner** Budget/Procurement Officer Engineering Assistant Executive Assistant to the Town Manager Police Lieutenant Superintendent, Streets & Maintenance
10	Asst. Superintendent, Wastewater Asst. Superintendent, Water Plant Police Sergeant
9	Executive Associate Tax Specialist Town Clerk Wastewater Operator I Water Plant Operator I Zoning Official

[1] Exempt designation based on converting position to full-time status.

Salary Grade	Proposed Class Title
8	Administrative Associate III Maintenance Team Leader Master Police Officer Planning Technician II Utilities Inspector Utility Billing Specialist
7	Finance Technician Maintenance Worker III Planning Technician I Police Officer Wastewater Operator II Water Plant Operator II
6	Administrative Associate II Maintenance Worker II Wastewater Operator III Water Plant Operator III
5	Administrative Associate I Finance Associate Maintenance Worker I Utility Maintenance Technician Wastewater Operator IV Water Plant Operator IV
4	Office Associate
3	Wastewater Operator Trainee Water Plant Operator Trainee

III - EXTERNAL COMPETITIVENESS

- **Compensation Survey**
- **Competitive Salary Rates**
- **Proposed Salary Ranges**
- **Benefits**

III. EXTERNAL COMPETITIVENESS

A primary objective of the project was the development of salary ranges that are externally competitive so the Town of Purcellville can recruit, motivate, and retain capable employees. This chapter presents and discusses the development of the recommended salary ranges.

COMPENSATION SURVEY

The proposed salary ranges were based on a survey of salaries for comparable positions of other major public and private sector employers. Benchmark classes were selected on the basis of:

- Comparability to other organizations,
- Representation of various grade levels,
- Inclusion of a cross section of positions,
- Coverage of significant classes with large numbers of employees.

The survey questionnaire included a brief description of the duties and responsibilities of each benchmark class to ensure comparability of job content as well as information on benefits. Survey questionnaires were mailed to organizations selected according to these criteria:

- Comparable cost of living,
- Geographic proximity,
- Functional comparability,
- Representation of various labor markets.

Eleven organizations, listed in Exhibit 3, responded to the survey. The survey respondents consisted of the following:

- Other regional governmental jurisdictions;
- Other Loudoun County employers.

Exhibit 3

COMPENSATION SURVEY ORGANIZATIONS

City of Fairfax
City of Frederick
City of Manassas
City of Winchester
Prince William County
Town of Herndon
Town of Vienna

Loudoun County
Loudoun County Public Schools
Loudoun County Sanitation Authority
Town of Leesburg

Data provided by these organizations was tabulated and studied using computer-based statistical analysis techniques. As responses to the survey were received, they were reviewed to determine whether the reported salary data was usable. Data not clearly reported or otherwise questionable was clarified by contacting the respondents. Information that was not comparable was excluded from the analysis.

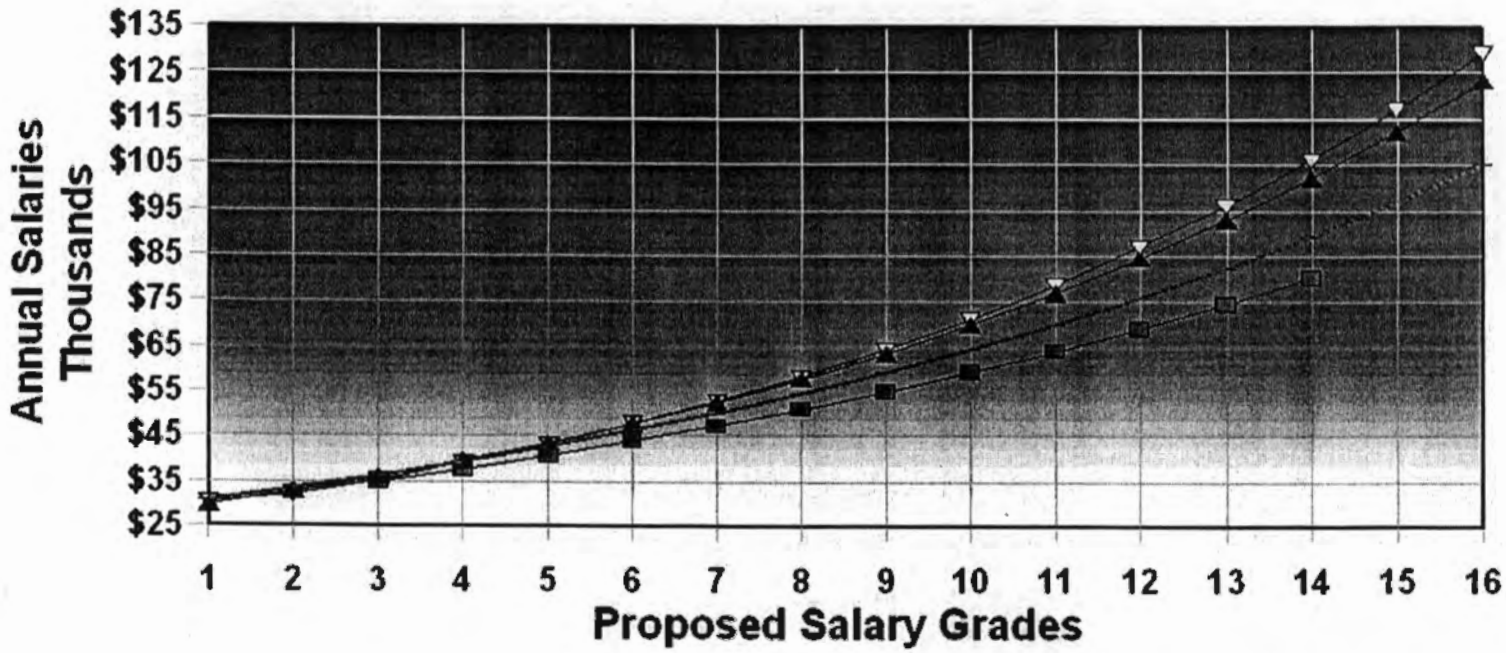
COMPETITIVE SALARY RATES

Competitive salary rates were determined for each salary grade. To determine competitiveness, several salary trend lines were calculated in order to compare the Town's present salary levels to the organizations surveyed. A "salary trend line" is a mathematical curve portraying the average of the surveyed benchmark midpoint salaries at each grade level. In essence, a salary trend line is the "best fit" of the survey data. The salary trend lines are presented in Exhibit 4, which is a scatter diagram comparing annual salaries to the bench mark positions which would fall into the 16 proposed salary grades. Exhibit 4 shows four lines:

- The first line ("solid square" marker) represents current the Town of Purcellville salary midpoints.
- The highest line ("solid downward triangle" marker) represents the average of the salaries Loudoun County employers.

Exhibit 4

COMPETITIVE SALARY RANGES
Compared to the Town of Purcellville



Current Town Range Midpoints
Loudoun County Employer Range Mdpts
Regional Government Range Mdpts
Proposed Town Range Midpoints

- A third line ("solid upward triangle" marker) represents the average of the salaries for the other regional governments.

- The fourth line represents the range midpoints proposed for the Town of Purcellville.

The recommended line takes into consideration the Town's evolution as a rapidly growing geographic area which mirrors the Loudoun County area in housing values and others costs of living. Hence, it is recommended that the Town adopt salary ranges that would approximate the Loudoun employers at lower grade levels while remaining below these and other employers at higher grade levels given the Town'S size. Moreover, Town actual salaries are below market midpoint levels. Consider that average actual employee salaries are 88% of market midpoint salaries; this means that the average employee salaries are 12% below market midpoint levels. Low employee salaries makes Town vulnerable to losing experienced employees to other employers.

PROPOSED SALARY RANGES

The recommended trend line represents the control points for the proposed salary ranges presented in Exhibit 5.

Exhibit 5

RECOMMENDED SALARY SCHEDULE

Grade	Minimum	Midpoint	Maximum
16	$78,744	$105,123	$131,503
15	72,575	96,888	121,201
14	66,890	89,298	111,706
13	61,649	82,302	102,954
12	56,820	75,854	94,889
11	52,368	69,912	87,455
10	48,266	64,435	80,604
9	44,485	59,387	74,289
8	41,000	54,734	68,469
7	37,788	50,447	63,105
6	34,827	46,495	58,162
5	32,099	42,852	53,605
4	29,584	39,495	49,406
3	27,267	36,401	45,535
2	25,131	33,549	41,968
1	23,162	30,921	38,680

As such, salary midpoints of the proposed ranges approximate competitive compensation levels in the market (i.e., the recommended trend line of Exhibit 4). The ranges were constructed to include the following characteristics:

- The range depth (i.e., the percentage differential from minimum to maximum) is 67 percent.
- The intergrade differential between minimums, midpoints and maximums is 8.5%.

In turn, Exhibit 6 below presents the recommended hourly rates for Town staff.

Exhibit 6

RECOMMENDED HOURLY RATES

Grade	Minimum	Midpoint	Maximum
16	$37.86	$50.54	$63.22
15	34.89	46.58	58.27
14	32.16	42.93	53.70
13	29.64	39.57	49.50
12	27.32	36.47	45.62
11	25.18	33.61	42.05
10	23.20	30.98	38.75
9	21.39	28.55	35.72
8	19.71	26.31	32.92
7	18.17	24.25	30.34
6	16.74	22.35	27.96
5	15.43	20.60	25.77
4	14.22	18.99	23.75
3	13.11	17.50	21.89
2	12.08	16.13	20.18
1	11.14	14.87	18.60

EMPLOYEE BENEFITS

Appendix D presents the results of the benefit portion of the survey. In general, the Town's benefits are quite competitive when compared to the other organizations surveyed.

IV - ADMINISTRATION AND MAINTENANCE

- **Salary Administration**
- **Salary/Midpoint Concept**
- **Merit (Performance) Increase**
- **Performance Evaluation Plan**
- **Plan Maintenance**
- **Updating Salary Ranges**

IV. ADMINISTRATION AND MAINTENANCE

This chapter outlines specific policies and procedures for salary administration, evaluation plan maintenance, and range updating.

SALARY ADMINISTRATION

The Town should administer salaries in a more flexible "open range" approach where the amount of salary increase varies depending on performance and position of salary within range. Under this "open range" plan, salary advancement is based on employee performance and salary position within range (i.e., employees whose salaries are below range midpoint would receive a proportionately greater percentage increase than employees whose salaries are greater than range midpoint.) Employees would normally be hired at range minimums. However, depending on market conditions, employees could be brought in at higher rates.

SALARY/MIDPOINT CONCEPT

Under this "open range" system, the manner of salary administration is based on the relationship of employee salaries to the midpoint of their salary ranges (or the market rate as shown in the previous chapter). For example, a Grade 8 employee whose salary is $41,000 (the minimum of the Grade 8 salary range) would have a "salary/midpoint" ratio of .75 (the employee's salary of $41,000 divided by the Grade 8 range midpoint of $54,734). To extend this example further, a Grade 8 employee whose salary was $68,469 (the Grade 8 maximum) would have a "salary/midpoint" ratio of 1.25; or if his/her salary was equal to the midpoint, the ratio would be equal 1.0 ($54,734/$54,734).

The relevance of the salary midpoint concept is that salaries should be administered in such a way to accelerate salary advancement toward midpoint in order to be able to retain employees who might be attracted away to another organization at the competitive market (midpoint) rate. As an employee reaches and passes midpoint, the percentage salary increases should be declining because there is less likelihood that the person will leave once they are being paid above market levels.

MERIT (PERFORMANCE) INCREASE

Under the open range concept, employees should receive one annual salary adjustment which would take into consideration increases in market salaries as well as their performance. This would allow the Town to be able to better budget for increases in Town payroll expenditures and ensure that budgeted resources are allocated to the most deserving employees. All employees would receive their performance increase at the same time (i.e., July 1) to ensure that all employees are being treated uniformly. For example, a highly paid employee in Grade 8 should receive less of a percentage increase than a lower paid employee in the same grade if they both perform at the same level. This

is because the more highly paid employee is already earning a premium over the lower paid employee and this difference should be mitigated if their work performance is considered the same.

The Merit Increase Formula is as follows:

Salary Increase = (Payroll Increase %) X Range Midpoint

To illustrate, if an employee's salary was $20,000 and the midpoint was $25,000, the employee would receive an increase of 6.25% when the average increase was 5%. [$1,250 = (5%) times $25,000.

PERFORMANCE EVALUATION PLAN

Under an "open range" plan, the Town will have more flexibility to vary employee increases by any % amount or give all employees the same adjustment if warranted, as long as they stay within the overall % allotment. This type of open range can work with the Town's existing performance evaluation plan. To the extent that the Town would prefer to move away from its current plan, Appendix E presents a Performance Evaluation Plan which could be used under an "open range" salary administration.

The performance appraisal plan is outcome-based, focusing on meeting or exceeding "performance goals." Goal setting is considered to be the most useful appraisal methodology provided that the performance planning and review process ensures that all executives have comparable "stretch" performance goals. Hence, the appraisal method selected is an outcome-based (goal-setting) approach supplemented by selected behavior-based criteria including:

- Possessing professional/technical proficiency in the individual's area of responsibility.
- Projecting a positive image for the Town.
- Exhibiting proper judgment and ethical behavior.
- Cooperating with peers in accomplishing Town goals.
- Adhering to the Town's policy to provide equal opportunity in all aspects of personnel management without regard to race, color, religion, sex, national origin, age, or disability.

The plan has four performance levels proposed and their definitions are as follows:

- **4 - Exceeds expectations:** consistently exceeds the highest expectations

- **3 - Meets expectations:** consistently meets the basic requirements for the position
- **2 - Minimally satisfactory:** fails to meet all expectations, but indicates potential to function effectively in the position
- **1 - Unsatisfactory:** consistently falls below expectations, and appears unable to function effectively in the position.

An individual would need to achieve a "3" to be considered "fully satisfactory" by meeting the expectations of his/her position. This should result in a more candid assessment of performance. Moreover, it will ensure that the Town can defend its personnel actions in court from a "2" performer who takes legal action after being discharged for "failing to meet expectations." Exhibit 6 illustrates relative percentage increases that could be granted based on the three performance levels and salary/midpoint ratio with a salary adjustment budget of 5%. The percentages for each performance level is presented below and illustrated in Exhibit 7.

Performance Level	Illustrative Merit Increase Formula
4 (Exceeds expectations)	150% (5% of Midpoint)
3 (Meets expectations)	100% (5% of Midpoint)
2 (Minimally satisfactory)	50% (5% of Midpoint)
1 (Unsatisfactory)	No increase

For example, a highly paid employee in Grade 9, should receive less of a percentage increase than a lower paid employee in the same grade if they both perform at the same level. This is because the more highly paid employee is already earning a premium over the lower paid employee and this difference should be mitigated if their work performance is considered the same. It should also be noted that the illustrative 5% salary increase budget is fixed and Town management would have to allocate any increases within the percentage increase ceiling. This means that if a department director rated all employees at the "4" level, he or she would not be given an additional allotment to fund the 150% level but instead would only be able to give out increases at the 100% level.

Exhibit 7

TOWN OF PURCELLVILLE
Illustrative Merit Percentages

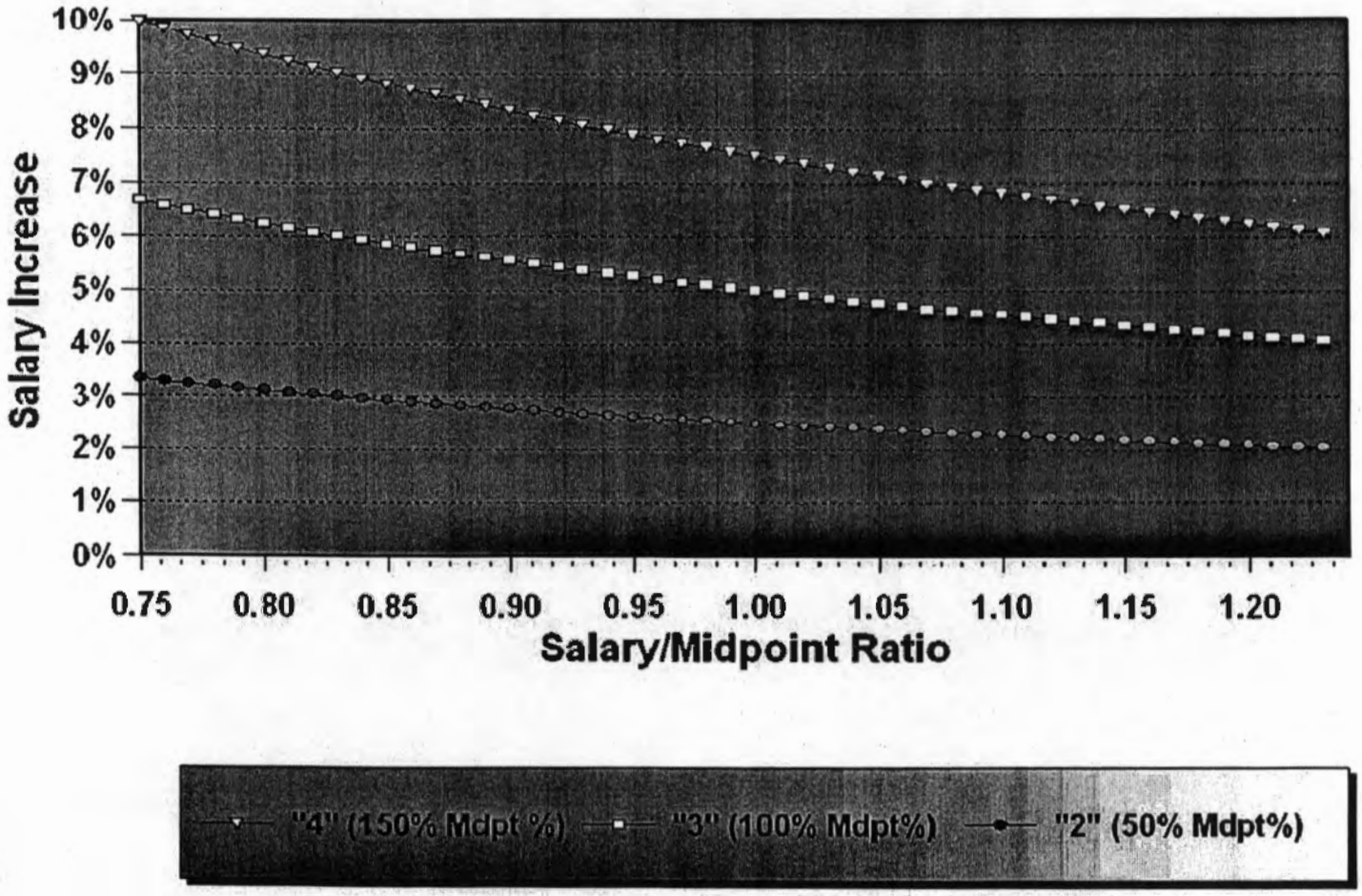


Exhibit 7 is meant only to be illustrative and not directive. This example illustrates one approach to salary administration that the Town may wish to adopt. The finite percentages expressed indicate approximate relationships that could exist among possible salary increases that can be granted for different levels of performance. Specific merit increase guidelines should be reviewed and approved at the beginning of each fiscal year on the basis of employment market conditions, changes in the cost of living, and budgetary and fiscal considerations.

PLAN MAINTENANCE

Over time duties and responsibilities of positions will change and new jobs will be created that could affect the internal alignment of classes. All newly established positions (and positions that undergo substantial changes in duties and responsibilities) should be reevaluated using the following process.

If an incumbent's duties and responsibilities change substantially or if a new type of position is created, the employee (and/or supervisor) should initiate a review and complete a position questionnaire for consideration in the next reclassification cycle. (If the change is considered a temporary assignment of higher level duties, the incumbent should be provided an assignment pay differential according to current pay policies.) Questionnaires should be reviewed and approved by the relevant department and sent to Human Resources for analysis, classification, evaluation, and salary grade assignment. Human Resources should independently analyze the position, gathering information through job-site interviews and other means to develop a complete understanding of the duties, responsibilities, relationships, and working conditions of the position.

If it is determined that the duties and responsibilities of the position are similar to those of positions in an existing class, the position should be given the class title and salary grade of the existing class. The department should be notified of the class title and grade. If the duties and responsibilities of the position are not similar to those of positions in an existing class, the department head may be requested to propose a new class title. The proposed class title should be submitted with the completed position questionnaire using the method described in this chapter. The resulting weighted points for each factor should be totaled to determine the appropriate salary grade.

UPDATING SALARY RANGES

The salary ranges proposed in this report should be reviewed annually to determine the amount of adjustment, if any, needed to keep them current. Adjustments should be based on the results of a abbreviated compensation survey of the COLA's provided by the surveyed organizations and/or changes is the regional consumer price index. The importance of the range adjustment is to ensure Town range structure stays competitive with the market as defined in Chapter III. In turn, employees will benefit because their "salary/midpoint" ratio will drop in proportion to the range adjustment thus providing opportunities to receive a proportionately larger merit increase assuming funding considerations and their performance warrant such a larger increase.

V - IMPLEMENTATION

- **Implementation Costs**
- **Next Steps**

V. IMPLEMENTATION

This chapter outlines implementation costs and suggests next steps to implement the proposed compensation plan.

IMPLEMENTATION COSTS

Although the immediate cost to implement the salary ranges is less than one percent of payroll, this is only the cost to raise the salaries of employees who fall below range minimums. A more realistic cost factor is approximately 8-9% of payroll to insure that Town salaries remain competitive with the other public employers surveyed in 2006; most, if not all, will be raising their ranges during 2007.

NEXT STEPS

The Town Council should review the report in detail before accepting it in principle. Acceptance in principle means agreement with the overall intent of the recommendations even though there may be questions on specific details.

APPENDIX A: PROPOSED CLASS TITLES

A. PROPOSED CLASS TITLES

Administrative Associate I
Administrative Associate II
Administrative Associate III
Assistant Finance Director
Assistant Superintendent, Wastewater
Assistant Superintendent, Water Plant
Assistant Town Mgr
Assistant Town Planner
Budget/Procurement Officer
Director, Capital Projects
Director, Planning and Zoning
Director, Streets & Maintenance
Director, Utilities
Engineering Assistant
Executive Assistant to the Town Manager
Executive Associate
Finance Associate
Finance Director
Finance Technician
Human Resources Officer
Information Technology Officer
Maintenance Team Leader
Maintenance Worker I
Maintenance Worker II
Maintenance Worker III
Master Police Officer
Office Associate
Planning Technician I
Planning Technician II
Police Chief
Police Lieutenant
Police Officer
Police Sergeant
Superintendent, Streets & Maintenance
Superintendent, Wastewater
Superintendent, Water Plant
Tax Specialist
Town Clerk
Town Manager
Utilities Inspector
Utility Billing Specialist
Utility Maintenance Technician
Wastewater Operator I
Wastewater Operator II
Wastewater Operator III
Wastewater Operator IV
Wastewater Operator Trainee
Water Plant Operator I
Water Plant Operator II
Water Plant Operator III
Water Plant Operator IV
Water Plant Operator Trainee
Zoning Official

APPENDIX B: PROPOSED TITLE CHANGES

B. PROPOSED TITLE CHANGES

Current Title	Proposed Title	Incumbent	Department
Administrative Assistant	Administrative Associate II	Dugay, Catherine	Police
Administrative Assistant	Office Associate	Cooper, Faith	Police
Administrative Project Coordinator	Administrative Associate III	Catlett, Julie	Maintenance
Administrative Project Coordinator	Administrative Associate III	Boeing, Eileen	Utilities
Budget/Procurement Specialist	Budget/Procurement Officer	Coakley, Stephen	Administration
Finance Technician/Billing	Utility Billing Specialist	Archer, Ellen	Finance
Information Clerk/Receptionist	Administrative Associate I	Boylan, Stephanie	Administration
Maintenance Worker II	Maintenance Worker III	Garrison, Darrell	Maintenance
Maintenance Worker II	Maintenance Worker III	Mccracken, Michael	Maintenance
Planning Technician	Planning Technician I	Duggan, Maribeth	Planning and Zoning
Planning Technician	Planning Technician II	Keller, Ann Tucker	Planning and Zoning
Program Support Assistant	Administrative Associate I	Berman, Cheryl	Administration
Special Asst to the Town Manager	Executive Associate	Kloeden, Marty	Administration

APPENDIX C: JOB EVALUATION PLAN

C. JOB EVALUATION PLAN

The job evaluation plan proposed for the Town of Purcellville is a hybrid of the factor comparison and point factor methodologies. The strengths and limitations of these two methods are detailed below:

- **Factor Comparison:** Jobs are evaluated against each other; essentially a relative ranking system; factors, weights, and evaluation levels are tailored. **Advantages:** Works best in a situation where it is important to tailor the evaluation system to the needs of the organization, and development time and resources are limited. **Limitations:** Amount of documentation; considered subjective.

- **Point Factor:** Jobs are evaluated against absolute standards; evaluation factors, weights, and degree definitions are normally pre-established. **Advantages:** Works best in situations where there is a good fit between the point factor plan and the values of the organization; provides an appearance of objectivity. **Limitations:** Multi-factor plans are unwieldy and difficult to implement in a large and diverse organization; "off-the-shelf" plans typically do not "fit" the unique requirements of many organizations.

The proposed hybrid approach combines the best features of the factor comparison and point factor methodologies and offers the following advantages:

- Evaluation factors, factor weights, factor levels, and points are not preestablished like many traditional point factor plans, but are developed and tailored to fit an organization's unique set of requirements.

- The plan permits a greater degree of documentation (i.e. evaluation zones) than is found in conventional factor comparison approaches, thus ensuring greater objectivity and ease of communication.

- While providing a greater degree of technical precision, the approach is not unwieldy and can be implemented and maintained without any additional staff resources.

The proposed plan has seven evaluation factors. Exhibit C-1 on the following page presents the seven evaluation factors and the number of evaluation levels for each factor and the accompanying weighted points for each of these evaluation levels. The definitions of the factors are presented in the following paragraphs. Each factor consists of a number of evaluation zones. The zones are only guides which were used in evaluating Town jobs, not absolute standards because each zone normally consists of one of more evaluation levels. For example, the factor of Job Complexity consists of 17 evaluation levels; each zone covers one of more of these evaluation levels.

Exhibit C-1

Summary of Weighted Points by Factor Level

Factor Level	Job Complexity	Education & Experience	Scope & Impact	Supervision Received	Working Relationships	Work Environment	Physical Demands
17	2,339						
16	2,034						
15	1,769		2,806				
14	1,538		2,392				
13	1,338		2,039				
12	1,163	936	1,738		1,871		
11	1,011	764	1,481	936	1,527		
10	879	623	1,263	748	1,246	280	187
9	765	509	1,076	598	1,017	218	146
8	665	415	917	479	830	170	114
7	578	339	782	383	677	133	89
6	503	276	667	306	553	104	69
5	437	226	568	245	451	81	54
4	380	184	484	196	368	63	42
3	331	150	413	156	300	49	33
2	288	123	352	125	245	38	26
1	250	100	300	100	200	30	20

JOB COMPLEXITY

This factor covers the nature, number, variety, and intricacy of tasks, steps, process, or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and originality involved in performing the work. This factor also covers the judgment needed to apply guidelines, the nature of guidelines, and authority to depart from and to adopt guides.

Zone	Zone Guide
1	The work consists of tasks that are clear cut and directly related. There are few if any choices to be made in deciding what needs to be done.
2	The work consists of duties involving related steps, processes, or methods. Procedures for doing the work have been established and specific guidelines are available.
3	The work consists of duties involving a variety of processes and methods. The decisions regarding what needs to be done depend on analysis of the subject, or issues involved in each assignment, and the chosen course of action may have to be selected from many alternatives.
4	The work typically consists of varied duties involving a wide range of processes and methods, such as those relating to established practices of an administrative or professional field.

5	The work consists of varied duties applied to a broad range of activities, including new and untried aspects or requiring substantial depth of analysis, in an administrative or professional field.
6	The work consists of broad functions and processes of an administrative or professional field.

EDUCATION AND EXPERIENCE

This factor measures the combination of formal education, training and practical experience needed to fully perform the requirements of the job.

Zone	Zone Guide
1	The required skills would normally be acquired through attainment of elementary school graduation and limited training.
2	The required skills would normally be acquired through attainment of secondary school graduation and limited training, or an equivalent combination of formal education working experience.
3	The required skills would normally be acquired through attainment of secondary school graduation and several years of working experience, or an equivalent combination of formal education and working experience.
4	The required skills would normally be acquired through attainment of an undergraduate degree and limited experience, or an equivalent combination of formal education and work experience.
5	The required skills would normally be acquired through attainment of an undergraduate degree and several years of working experience, or a graduate degree with no prior experience equivalent combination of formal education working experience.
6	The required skills would normally be acquired through attainment of a graduate degree and several years of working experience, or an equivalent combination of formal education working experience.

SCOPE AND IMPACT

This factor covers the purpose, breadth, and depth of the assignment, and the effect of work products or services both within and outside the organization. Impact measures such things as whether the output facilitates the work of others, provides timely services of a personal nature, or impacts the adequacy of the programs.

Zone	Zone Guide
1	The work involves the performance of specific routine operations that include a few separate tasks or procedures.
2	The work involves the execution of specific rules, regulations or procedures and typically comprises a complete segment of an assignment or project of broader scope. The work product or service affects the accuracy, reliability, or acceptability of further processes or services, the safekeeping or operation of equipment or facilities within the organization.
3	The work involves isolating and defining unknown conditions and/or resolving critical problems. The work product or service affects the work of major aspects of administrative or technical programs.
4	The work involves planning, developing, and carrying out vital administrative or technical programs. May supervise professional, administrative, supervisory, or personnel.
5	The work involves providing managerial direction to a number of professional or administrative employees working in diverse or highly complex and critical program areas.
6	The work involves providing executive direction, through subordinate supervisors or managers, in the implementation of several critical and important programs.

SUPERVISION RECEIVED

This factor covers the nature and extent of direct or indirect controls exercised by the supervisor, the employee's responsibility, and the review of completed work. Controls are exercised by the supervisor in the way assignments are made, instructions are given to the employee, priorities and deadlines are set, and objectives and boundaries are defined.

Zone	Zone Guide
1	For both one-of-kind and repetitive tasks the supervisor makes specific assignments, issuing clear, detailed, and specific instructions.
2	The supervisor provides continuing or individual assignments by indicating generally what is to be done, limitations, quality and quantity expected, deadlines, and priority of assignments.
3	The supervisor makes assignments by defining objectives, priorities, and deadlines; and assists employee with unusual situations which do not have clear precedents.

4	Overall objectives and resources available are set by the employee alone, or in consultation with the supervisor, develops the deadlines, projects, and work to be done. At this level, the employee, having developed expertise in the line of work, is responsible for planning and carrying out the assignment, resolving most of the conflicts which arise, coordinating the work with others as necessary, and interpreting policy on own initiative in terms of established objectives.
5	Assignments are stated in terms of broadly defined missions or functions, work is normally performed under administrative direction with little or no technical guidance available. The employee is responsible for planning, designing and carrying out major programs, projects, studies, or other work independently.

WORKING RELATIONSHIPS

This factor refers to the responsibility of the worker to deal with individuals or groups, such as representatives of organizations, legislative bodies, or community groups to accomplish work objectives. Consideration is given to the purpose of contacts, their difficulty, importance, and level within or outside the organization.

Zone	Zone Guide
1	Contacts limited to co-workers with no, or minimal authority, who work within the same organization unit and to furnishing, obtaining, or relaying specific, factual, and non-confidential information. Communication is usually cooperative in nature.
2	Some contacts made with individuals from: (a) other internal organization units; or (b) outside organizations; or the general public for purposes of exchanging factual information which may require some judgement or interpretation in order to be responsive to questions or applicable to a specific situation. Communication is usually cooperative in nature, with infrequent conflicts resolved by higher authority.
3	Regular contacts made with individuals from: (a) other internal organization units; (b) outside organizations; and the general public for purposes of exchanging factual information which requires some judgement or interpretation in order to be responsive to questions or applicable to a specific situation. Communication is usually cooperative in nature, with most conflicts resolved by higher authority.
4	Regular contact made with the highest appointed and elected officials or the most influential persons in the community. Communications often: (a) defend, justify, negotiate, and settle highly significant or sensitive issues; (b) requires skills in diplomacy, persuasion, and negotiation; and incorporate a developed sense of strategy and timing.

WORK ENVIRONMENT

This factor measures the discomforts or unpleasantness of the work environment. Frequency of exposure to unpleasant or discomfiting conditions is considered. This factor also considers the hazards present on the job even though all reasonable safety precautions have been taken. Frequency of occurrence is also considered.

Zone	Zone Guide
1	The work environment involves very few discomforts and the work presents no significant hazards to employees.
2	The work involves some discomforts or unpleasantness or the work involves some risks which require safety precautions.
3	The work involves some discomforts or unpleasantness and the work involves some risks which require special safety precautions.
4	The work involves considerable discomforts and the work involves some risks which require safety precautions.
5	The work involves some discomforts or unpleasantness and the work involves considerable risks which require safety precautions.
6	The work environment involves some discomforts or unpleasantness and the work involves high risks with exposure to dangerous situations.
7	The work environment involves considerable discomforts or unpleasantness and the work involves high risks with exposure to dangerous situations.

PHYSICAL DEMANDS

This factor covers the requirements and physical demands placed on the employee by the work assignment. This includes physical characteristics and abilities (e.g., specific agility and dexterity requirements) and the physical exertion involved in the work (e g., climbing, lifting, pushing, balancing, stooping, kneeling, crouching, crawling, reaching, using quick and frequent hand/arm and/or foot/leg movements). The frequency or intensity of physical exertion must also be considered, e.g., a job requiring prolonged standing or a job requiring continued staring or listening requires greater physical effort than one that does not require that kind of endurance.

Zone	Zone Guide
1	The work is sedentary. Typically, the employees may sit comfortably to do the work. However, there may be some walking, standing, bending, carrying of light items such as papers, books, small parts, driving an automobile, etc. No special physical

demands are required to perform the work.

2 The work requires some physical effort; intended to cover situations in which workers of average strength and agility exert light physical effort in carrying out their duties. Effort results in some noticeable fatigue.

3 The work requires medium physical effort; intended to cover situations in which workers possessing good strength and agility must exert physical effort in carrying out their duties which results in noticeable fatigue.

4 The work requires heavy physical effort; intended to cover situations in which workers possessing above average strength and agility exert substantial physical effort in carrying out their duties which results in considerable fatigue.

ALLOCATING JOBS TO SALARY GRADES

The proper salary grade for a job is selected after the total weighted point score has been calculated. The grade is determined by comparing the total score of the job with the point score ranges that have been established for each grade in the salary structure. The point ranges for each grade are shown in Exhibit C-2. The distribution of points is intended to ensure that jobs of comparable value are included in the same grade. The spread of point value is designed to include jobs of essentially equivalent overall value and to separate jobs of significantly different value.

Exhibit C-2

TOWN OF PURCELLVILLE

PAY PLAN POINT RANGES

Grade	Point Range Minimum	Point Range Maximum
16	8,130	
15	7,070	8,129
14	6,150	7,069
13	5,350	6,149
12	4,650	5,349
11	4,040	4,649
10	3,510	4,039
9	3,050	3,509
8	2,650	3,049
7	2,300	2,649
6	2,000	2,299
5	1,740	1,999
4	1,510	1,739
3	1,310	1,509
2	1,150	1,309
1	1,000	1,149

APPENDIX D: BENEFIT SURVEY RESULTS

D. BENEFIT SURVEY RESULTS

This appendix presents the results of the survey comparing benefit programs for all the organizations surveyed.

PRESENT SITUATION

Town full-time employees are provided with a range of benefits, including life insurance, health, dental and vision insurance, paid accrued leave, holiday leave, special leave, sick leave bank and retirement benefits.

Life Insurance. Full-time employees participate in the Group Life Insurance Program of the Virginia Retirement System (VRS). Life insurance coverage is two times salary; coverage is doubled in accidental death. The VRS insurance is non-contributory by the employee. Accidental Death and Dismemberment is equal to twice the amount of the basic group life at no cost to the employee. In addition, the Town offers optional life insurance coverage at cost to employees.

Health Insurance. All full-time are eligible for the Group health insurance program through Anthem Blue Cross Blue Shield. The only plan offered presently is the Key Advantage Expanded Plan. The Town pays approximately 95% of the premium for full-time employee and dependent coverage. With regard to Dental Care, which is included in the health plan, the Town pays 95% of the premium for full-time and dependent. The Town also offers its employee a vision plan included in the Health insurance as well.

Vacation. Town full-time employees are granted leave according to their length of service:

Years of Service	Vacation Days per Year
1	10
2	11
3	12
4	13
5	14
6	15
7	16
8	17
9	18
10	19
11	20
12-13	21
14-15	22
16-17	23
18-19	24
20+	25

Holidays. Town full-time employees are granted 11.5 holidays a year. The Town also provides 2 personal paid days off.

Sick Leave/Disability Insurance. Town full-time employees accrue sick leave at the rate of 12 days per year up to a maximum balance of 200 days. The Town has a catastrophic sick leave program whereby employees can be advanced up to two weeks paid leave must then be paid back upon return, as well as a leave donation program whereby employee may donate their own paid leave to an employee in need. Employees may obtain up to 480 hours of donated leave. This leave doe not have to be paid back.

Retirement Protection. With respect to retirement, Town full-time employees are eligible for membership in the VRS; the Town makes all contributions into the program on behalf on employees. The amount of retirement benefits is based on age, number of years of service in VRS position and average final compensation. VRS employees are eligible for unreduced retirement benefits at age 50 with 30 years of service or age 65 with five years of service. Employees may retire as early as age 50 with 10 years of service with a reduced benefit.

Deferred Compensation. All full-time and regular part-time Town employees may also participate in a 457 deferred compensation plan that allow employees to use pretax dollars to save for retirement. Presently the Town matches contributions up to $20.00 per pay period.

SURVEY FINDINGS

Life Insurance. Most of the other Virginia public employers surveyed participate in the Group Life Insurance Program of the Virginia Retirement System (VRS). Life insurance coverage is two times salary; coverage is doubled in accidental death. The VRS insurance is non-contributory by the employee. Like the Town, most employers offer Accidental Death and Dismemberment equal to twice annual salary rounded to the next highest $1,000 no cost to the employee. Many also offer optional life insurance coverage at cost to employees.

Health Insurance. In general, the health insurance coverage offered to Town employees is comparable to the organizations surveyed. Many employers offered their employees a choice of a Medical or HMO plan. With regard to each plan, employers contribute between 80-90% to employee coverage; these employers also contribute between 78-85 % for dependent coverage. Most organizations surveyed provide dental care and vision care plans which are contributory by the employee. Like the Town, the majority of organizations reported using a Flexible Spending Account Plan (FSAP).

Disability Insurance. The public employers surveyed provide sick leave to their employees an average of 13 days per year. A majority pay for unused sick leave upon retirement within certain limits; the most common approach was to pay 25% for unused hours. A majority also provide a Sick Leave Bank. Most typically, long term disability coverage is offered through a combination of workers compensation and VRS retirement benefits. Some public employers also provide optional long term disability coverage which is contributory by the employee.

Holidays. The number of annual paid holidays (including personal days) provided by the surveyed organizations averages to be 12.5 days.

Vacation. The Town's vacation allowance is competitive with the other public employers. The majority of organizations surveyed provide 13 days during the first four years of service, 17 days up to ten years of service; 21 days after ten years service; 24 days after fifteen years of service; and 26 days after 21 years of service; as shown below:

Years of Service	Range (Median) Vacation Days per Year
0 - 4 Years	10-15 (13) Days
5 - 9 Years	13- 20 (17) Days
10 - 14 Years	18-23 (21) Days
16 - 20 Years	23-26 (24) Days
Over 20 Years	23-26 (26) Days

Retirement Protection. Like the Town, most Virginia public employers are under the VRS. Some of the employers make all contributions into the program on behalf on employees. VRS employees are eligible for unreduced retirement benefits at age 50 with 30 years of service or age 65 with 5 years of service. Employees may retire as early as age 50 with 10 years of service with a reduced benefit.

Deferred Compensation. Like the Town, most surveyed offered their employees the option to defer some of their compensation as a supplemental way of building retirement protection in a 457 and/or 403(b) plan. At least one employer matches employee contributions up to $40 per pay period.

APPENDIX E: PERFORMANCE APPRAISAL PLAN

E. PERFORMANCE APPRAISAL PLAN

This appendix outlines an individualized performance appraisal plan.

GENERAL

The purpose of the proposed performance appraisal plan is to measure and reward performance based on agreed-upon job-related performance criteria. This will enable the Town to:

- Vary salary adjustments based on determinations of individual performance.
- Encourage excellence in each employee's performance by helping to identify strengths that may be built upon and weaknesses that may be corrected.
- Support the human resource planning efforts of the Town by providing a more accurate basis for identifying and developing promotable individuals.

The performance appraisal plan should have certain key features, including:

- Performance factors and goals
- Advanced determination of goals
- Four performance levels
- Performance reviews
- Forms and procedures
- Managerial training.

The performance appraisal system should be tied to the budget year so that performance goals can be linked to department and Town goals.

PERFORMANCE FACTORS AND GOALS

A performance factor is an activity or responsibility of an employee of sufficient importance to be identified and defined. Most positions should have at least three or four major activities or responsibilities that can be identified as performance factors. In general, no more than eight performance factors, which together constitute at least 80 per cent of the position content, should be selected for an appraisal.

Performance factors can be derived from various sources; the most common are: (1) discussions between an incumbent and his or her immediate supervisor and (2) a formal description of the position, for example, the information furnished by incumbents in the completed position description

questionnaire. In selecting each performance factor, a number of factors should be considered, including:

- The contribution it makes to the Town or individual division/department
- Its impact or positive result when it is performed properly
- The loss or damage that can ensue if it is not performed properly
- The amount of time devoted to it.

After the performance factors of the position have been identified, goals should be selected that can be used to measure the individual's performance according to each factor. The goals should be based on both individual and department performance, taking into account such factors as:

- Improvement in work quality and quantity
- Control of costs, improved productivity, and improved efficiency
- Timeliness of performance
- Other indications of effectiveness and performance quality of the employee.

Performance goals should be objective, meaningful, realistic and measurable (or observable). The following table illustrates how performance against some general criteria can be measured:

General Criteria	Goals
Output	Projects completed Units produced Levels of service
Cost-Efficiency	Dollars per unit Cost per person
Timeliness	Milestone met Speed of response
Unit Management	Performance against objectives Complaints or compliments

In addition to the performance factors specific to each position, managers should be held accountable for certain Town-wide performance requirements applicable to most senior positions; which include:

- Staff development (for example, training subordinates and appraising their performance)

- Department management (for example, establishing internal management systems, conforming to various reporting requirements, and ensuring smooth departmental operations)

- Self-development (for example, improving professional competence, enhancing the image of the Town, promoting Town programs and goals, and expanding contacts).

Performance goals should be established for each performance factor. After performance factors and goals are established, the kind and form of performance data should be clearly defined and understood. In some cases, data may be readily available (for example, from project milestone schedules); in other cases, however, the data will have to be reworked or developed specifically to meet the purpose of performance measurement. The conditions and assumptions affecting goal attainment should be specified, if necessary. Attainment of performance goals should be in addition to meeting certain fundamental expectations, including:

- Possessing professional/technical proficiency in the individual's area of responsibility.

- Projecting a positive image for the Town.

- Exhibiting proper judgment and ethical behavior.

- Cooperating with peers in accomplishing Town-wide goals.

- Adhering to the Town's policy to provide equal employment opportunity in all aspects of personnel management without regard to race, color, religion, sex, national origin, age, or disability.

ADVANCED DETERMINATION OF GOALS

Performance factors and goals should be determined in advance of the appraisal period by incumbents receiving approval by their respective supervisors. While incumbents should propose their individual goals, these should be agreed to, or adjusted, by this higher-level review. Performance factors and goals are established in advance by the incumbent and his or her supervisor through the following process:

- Incumbents propose their own performance factors and goals.

- Supervisors review the incumbents' proposed performance factors and goals for completeness of job coverage, conformity with Town-wide objectives, and other features; and notes areas of agreement or disagreement.

- Supervisors meet with incumbents to reach an agreement on final performance factors and goals.

Higher level supervisors should participate in the goal- and standard-setting process at the beginning of the appraisal period, to ensure consistency throughout each department. Division and Department

Directors should review the performance factors, criteria, and goals established for their employees. Goals that appear to be too high or too low should be discussed with the department head and agreed upon.

PERFORMANCE LEVELS

The four levels proposed and their definitions are as follows:

- **4 - Exceeds expectations:** consistently exceeds the highest expectations
- **3 - Meets expectations:** consistently meets the basic requirements for the position
- **2 - Minimally satisfactory:** fails to meet all expectations, but indicates potential to function effectively in the position
- **1 - Unsatisfactory:** consistently falls below expectations, and appears unable to function effectively in the position.

An individual would need to achieve a "3" to be considered "fully satisfactory" by meeting all the expectations of his/her position. This should result in a more candid assessment of performance. Moreover, it will ensure that the Town can defend its personal actions in court from a "2" performer who takes legal action after being discharged for "failing to meet expectations."

PERFORMANCE REVIEWS

Two types of performance reviews should be conducted. The first - the interim performance review - should be conducted at least once during the year (more often, if deemed desirable) to discuss performance and to note any changes in conditions or assumptions affecting goals. The second - the final performance review - should be held annually on a given date at the end of the performance appraisal period, or at any time during the year if an employee or his or her supervisor is reassigned or leaves the organization. Assuming that performance goals have been carefully set, the actual performance review process consists of the following steps:

- Review performance factors and goals
- Review accumulated performance data for each criterion
- Compare performance data with goals
- Determine the performance rating on each performance factor.

FORMS AND PROCEDURES

The appraisal form should be short and simple to administer. Exhibit E-1 presents a two-page appraisal form for recording:

- Key responsibilities/performance factors
- Performance goals
- Results
- Ratings
- Overall performance rating.

The form would be used (and signed) by the incumbent, the supervisor and the reviewer at the initial planning, interim and final review sessions. It would be a multi-copy form to circulate to all key reporting relationships. Instructions would be provided on the back of the form. Performance factor and goals should be listed in order of importance, but not pre-weighted. In determining the overall rating, the rater should consider:

- The relative importance (listing) of the goals and the ratings on each
- The ratings most frequently given
- Any unforeseen conditions affecting the achievement of the goals.

MANAGERIAL TRAINING

Implementation should include sufficient time for training. Because most Town employees have limited or no experience with an appraisal system based on preestablished elements and standards, some training is necessary before the system is implemented. Effective training requires active participation in the training process and instruction in specific tasks. The objectives of training in performance appraisal should be to provide a common understanding of the basic concepts of the performance appraisal and compensation system, as follows.

- Performance factors and goals and appraisal procedures
- Controls ensuring rating consistency
- Establishing position-specific performance factors and goals
- Conducting self-appraisal
- Communicating appraisal results.

Exhibit E-1

TOWN OF PURCELLVILLE

PERFORMANCE GOALS/RESULTS

NAME:	TITLE:	DEPT:

Performance Factor (in order of importance)	Performance Goal	Results	Rating* (1 2 3 4)
1.			
2.			
3.			
4.			
5. Unit Management			
6. Staff Development			
7. Self Development			

Performance Factor	Performance Goal	Results	Rating (1 2 3 4)
8. Professional/Technical Proficiency	Possess professional/technical proficiency in the individual's area of responsibility as evidenced by a continual growing competency in job-related knowledge, skills and abilities		
9. Communications/Public Relations	Project a positive image for the Town; respond, in a balanced manner, to Town residents, other Town officials and the general public		
10.Personal Judgement/Ethics	Exhibit proper judgment and ethical behavior in all aspects of professional and personal dealings which would reflect on the Town		
11. Teamwork	Cooperate with peers in accomplishing Town-wide goals; demonstrate willingness to place Town goals ahead of personal goals		
12. EEO/Affirmative Action	Adhere to the Town's policy to provide equal employment opportunity in all aspects of personnel management without regard to race, color, religion, sex, national origin, age, or disability		

Overall Performance Rating (Specify reasons for assignment of "1", "2", "3", or "4".)
Circle One: 1 2 3 4

Initial Planning	Interim Review	Final Review
Incumbent _____ (Date)	Incumbent _____ (Date)	Incumbent _____ (Date)
Rater _____ (Date)	Rater _____ (Date)	Rater _____ (Date)
Reviewer _____ (Date)	Reviewer _____ (Date)	Reviewer _____ (Date)

***Note** **1: Unsatisfactory; 2: Fails to Meet All Expectations; 3: Consistently Meets All Expectations; 4: Significantly exceeds all expectations**

ATTACHMENT 9

Account Number	Account Description	AM	Journal Date	Type/Num	Reference	Budget Amount	Debit	Credit	Enc/Liq	Act Exp
100-4012210-3150	LEGAL SERVICES-ADMIN									
ORIGINAL APPROPRIATION		1	06/30/2014	BY1-1	BY 6/30/2014	73,545.00				
AKERMAN LLP LEGAL/JUN 15		13	07/29/2015	PA3	Vendor #2392		1,382.50			
AMERICAN BAR ASSOCIATION MANUAL/CONTRACT DRAFTING		3	09/25/2014	AP54	Vendor #4470		51.95			
CULBERT & SCHMITT, PLLC ADMIN/LEGAL		9	03/12/2015	AP134	Vendor #4499		225.00			
CULBERT & SCHMITT, PLLC LEGAL/ADMIN-MAR 15		10	04/10/2015	AP150	Vendor #4499		562.50			
CULBERT & SCHMITT, PLLC LEGAL-TRAIN STATION		11	05/12/2015	AP168	Vendor #4499		900.00			
DELONG DEVELOPMENT LLC LEGAL/TOP-BROWN 9/30/14		5	11/17/2014	AP82	Vendor #4168		9,700.00			
DEWBERRY CONSULTANTS LLC LEGAL/BROWN		5	11/17/2014	AP82	Vendor #310		11,165.00			
DONOHUE & STEARNS, PLC LEGAL/AUG 14		3	09/30/2014	AP56	Vendor #4192		825.00			
DONOHUE & STEARNS, PLC LEGAL/JUL 14		3	09/30/2014	AP56	Vendor #4192		225.00			
HIRSCHLER FLEISCHER LEGAL/JUL 14		3	09/30/2014	AP56	Vendor #1323		63.60			
HUBACHER & AMES PLLC CELL LEASE-VERIZON/APR 15		11	05/27/2015	AP176	Vendor #3483		2,378.00			
HUBACHER & AMES PLLC LEGAL/VERIZON FRANCHISE		2	08/11/2014	AP25	Vendor #3483		203.00			
HUBACHER & AMES PLLC LEGAL/VERIZON WIRELESS SITE		2	08/11/2014	AP25	Vendor #3483		116.00			
HUBACHER & AMES PLLC VERIZON CELL LEASE-FEB 15		9	03/09/2015	AP130	Vendor #3483		1,247.00			
HUBACHER & AMES PLLC VERIZON CELL LEASES		13	07/16/2015	PA2	Vendor #3483		435.00			
HUBACHER & AMES PLLC VERIZON CELLULAR LEASE		5	11/17/2014	AP82	Vendor #3483		174.00			
HUBACHER & AMES PLLC VERIZON LEASE/SEP 14		4	10/15/2014	AP64	Vendor #3483		493.00			
HUBACHER & AMES PLLC VERIZON TELECOM FRANCHISE-FEB		9	03/09/2015	AP130	Vendor #3483		203.00			
JOSEPH M SULLIVAN, ESQ. LEGAL/JULY 14		3	09/25/2014	AP54	Vendor #2795		50.07			
ODIN FELDMAN PITTLEMAN PC LEGAL/BROWN		5	11/17/2014	AP82	Vendor #4501		14,748.50			
PARLI APPRAISAL INC LEGAL/BROWN		5	11/17/2014	AP82	Vendor #4500		1,750.00			
PETTY CASH 6/11/14-2/28/15		8	02/27/2015	AP126	Vendor #126		5.00			
RECLASS TO CORRECT ACCOUNTS		7	01/31/2015	JE204				138,531.54		
REED SMITH LLP LEGAL/AUG 14		3	09/30/2014	AP56	Vendor #3762		1,333.75			
REED SMITH LLP LEGAL-GEN COUNSELING		7	01/15/2015	AP108	Vendor #3762		190.00			
ROBINSON JR., WALTER A LEGAL/BROWN		5	11/17/2014	AP82	Vendor #3719		43,350.00			
ROGAN MILLER ZIMMERMAN PLLC LEGAL/JUN 14		3	09/25/2014	AP54	Vendor #3231		910.00			
UNIVERSITY OF VIRGINIA PLGA3282-LGA 2015 HANDBOOK		9	03/12/2015	AP134	Vendor #1295		155.00			
WALTON & ADAMS PC LEGAL/BROWN-16199-05M/DEC 14		7	01/15/2015	AP108	Vendor #794		600.00			
WALTON & ADAMS PC LEGAL/BROWN-16199M/SEP 14		5	11/17/2014	AP82	Vendor #794		31,989.75			
WALTON & ADAMS PC LEGAL/BROWN-16199M-OCT 14		5	11/17/2014	AP82	Vendor #794		4,710.04			
WALTON & ADAMS PC LEGAL-16199-05M-BROWN/AUG 14		3	09/30/2014	AP56	Vendor #794		14,515.00			
WALTON & ADAMS PC LEGAL-16199-05M-BROWN/JUL 14		3	09/30/2014	AP56	Vendor #794		4,490.00			
WALTON & ADAMS PC LEGAL-NOV 14-16199M		6	12/23/2014	AP98	Vendor #794		361.23			
	YTD Total fc 100-4012210-3150			LEGAL SERVICES-ADMIN		73,545.00	149,507.89	138,531.54	0.00	10,976.35
100-4012210-3151	LEGAL SERVICES-FINANCE									
ORIGINAL APPROPRIATION		1	06/30/2014	BY1-1	BY 6/30/2014	5,000.00				
CAVALIER COURIER AND PROCESS SERVICE PROCESS SERVI		6	12/10/2014	AP94	Vendor #4547		135.00			
	YTD Total fc 100-4012210-3151			LEGAL SERVICES-FINANCE		5,000.00	135.00	0.00	0.00	135.00

Account Number	Account Description	AM	Journal Date	Type/Num	Reference	Budget Amount	Debit	Credit	Enc/Liq	Act Exp
100-4012210-3152	LEGAL SERVICES-POLICE									
ORIGINAL APPROPRIATION		1	06/30/2014	BY1-1	BY 6/30/2014	5,000.00				
	YTD Total fc 100-4012210-3152			LEGAL SERVICES-POLICE		5,000.00	0.00	0.00		0.00

100-4012210-3153	LEGAL SERVICES-PUBLIC WORKS									
ORIGINAL APPROPRIATION		1	06/30/2014	BY1-1	BY 6/30/2014	50,000.00				
BB&T BANKCARD CORP FILE DEED		9	03/04/2015	AP128	Vendor #54		64.82			
BB&T BANKCARD CORP FILE DEED		11	05/04/2015	AP162	Vendor #54		44.33			
BB&T BANKCARD CORP RECORD PLAT		12	06/02/2015	AP178	Vendor #54		63.44			
CLERK OF THE CIRCUIT COURT/LOUDOUN CHGS DUE OVERSI		8	02/10/2015	AP116	Vendor #1315		20.00			
CONSOLIDATED MID-YEAR AMEND		9	03/13/2015	BE5		70,000.00				
CULBERT & SCHMITT, PLLC LEGAL		12	06/23/2015	AP188	Vendor #4499		43.75			
CULBERT & SCHMITT, PLLC LEGAL/PW-OCT 14		5	11/17/2014	AP82	Vendor #4499		675.00			
CULBERT & SCHMITT, PLLC LEGAL/PW-SEP 14		5	11/17/2014	AP82	Vendor #4499		337.50			
CULBERT & SCHMITT, PLLC LEGAL-JUN 15		13	07/16/2015	PA2	Vendor #4499		112.50			
CULBERT & SCHMITT, PLLC LEGAL-MAY 15		12	06/05/2015	AP180	Vendor #4499		450.00			
DELONG DEVELOPMENT 11/17/14		7	01/31/2015	JE204			9,700.00			
DEWBERRY CONSULTANTS LLC LEGAL-BROWN		8	02/23/2015	AP124	Vendor #310		8,810.00			
DEWBERRY CONSULTING 11/17/14		7	01/31/2015	JE204			11,165.00			
DONOHUE & STEARNS 09/30/14		7	01/31/2015	JE204			225.00			
DONOHUE & STEARNS 09/30/14		7	01/31/2015	JE204			825.00			
DONOHUE & STEARNS, PLC LEGAL		7	01/15/2015	AP108	Vendor #4192		175.00			
DONOHUE & STEARNS, PLC LEGAL/OCT 14		6	12/04/2014	AP90	Vendor #4192		550.00			
JOSEPH M SULLIVAN 09/25/14		7	01/31/2015	JE204			50.07			
ODIN FELDMAN PITTLEMAN 11/17/14		7	01/31/2015	JE204			14,748.50			
PARLI APPRAISAL INC 11/17/14		7	01/31/2015	JE204			1,750.00			
REED SMITH LLP LEGAL/ARTHUR CONST		5	11/17/2014	AP82	Vendor #3762		237.50			
REED SMITH LLP LEGAL/SEP 14		6	12/04/2014	AP90	Vendor #3762		237.50			
ROBINSON JR., WALTER 11/17/14		7	01/31/2015	JE204			43,350.00			
WALTON & ADAMS PC 01/15/15		7	01/31/2015	JE204			600.00			
WALTON & ADAMS PC 09/30/14		7	01/31/2015	JE204			4,490.00			
WALTON & ADAMS PC 09/30/14		7	01/31/2015	JE204			14,515.00			
WALTON & ADAMS PC 11/17/14		7	01/31/2015	JE204			31,989.75			
WALTON & ADAMS PC 11/17/14		7	01/31/2015	JE204			4,710.04			
WALTON & ADAMS PC 12/23/14		7	01/31/2015	JE204			361.23			
WALTON & ADAMS PC LEGAL-16199-05M-APR 15		11	05/12/2015	AP168	Vendor #794		262.50			
WALTON & ADAMS PC LEGAL-16199M-BROWN/FEB 15		10	04/10/2015	AP150	Vendor #794		3,082.25			
WALTON & ADAMS PC LEGAL-16199M-JAN 15		8	02/23/2015	AP124	Vendor #794		4,976.50			
	YTD Total fc 100-4012210-3153			LEGAL SERVICES-PUBLIC WORKS		120,000.00	158,622.18	0.00	0.00	158,622.18
100-4012210-3154	LEGAL SERVICES-COMM DEV									
ORIGINAL APPROPRIATION		1	06/30/2014	BY1-1	BY 6/30/2014	13,000.00				
CULBERT & SCHMITT, PLLC LEGAL-PVILLE GATEWAY-SEP 1		5	11/17/2014	AP82	Vendor #4499		956.25			

Account Number	Account Description	AM	Journal Date	Type/Num	Reference	Budget Amount	Debit	Credit	Enc/Liq	Act Exp
100-4012210-3154	LEGAL SERVICES-COMM DEV									
ANGELA PLOWMAN, PLC LEGAL-JAN-MAR 15		10	04/23/2015	AP158	Vendor #1498		2,925.00			
BLANKINGSHIP & KEITH P C LEGAL-BZA APPEAL		12	06/23/2015	AP188	Vendor #4687		10,725.00			
BLANKINGSHIP & KEITH P C LEGAL-BZA APPEAL		12	06/23/2015	AP188	Vendor #4687		5,194.85			
BLANKINGSHIP & KEITH P C LEGAL-BZA APPEAL-JUN 15		13	07/16/2015	PA2	Vendor #4687		625.00			
BLANKINGSHIP & KEITH P C LEGAL-BZA APPEAL-MAY 15		13	07/16/2015	PA2	Vendor #4687		300.00			
CULBERT & SCHMITT, PLLC LEGAL		12	06/23/2015	AP188	Vendor #4499		112.50			
CULBERT & SCHMITT, PLLC LEGAL		12	06/23/2015	AP188	Vendor #4499		43.75			
CULBERT & SCHMITT, PLLC LEGAL		12	06/23/2015	AP188	Vendor #4499		43.75			
CULBERT & SCHMITT, PLLC LEGAL		12	06/23/2015	AP188	Vendor #4499		43.75			
CULBERT & SCHMITT, PLLC LEGAL/COMM DEV-MAR 15		10	04/10/2015	AP150	Vendor #4499		843.75			
CULBERT & SCHMITT, PLLC LEGAL/PERMITTING		9	03/12/2015	AP134	Vendor #4499		112.50			

CULBERT & SCHMITT, PLLC LEGAL-CD	7	01/15/2015	AP108	Vendor #4499		281.25			
CULBERT & SCHMITT, PLLC LEGAL-CD	7	01/15/2015	AP108	Vendor #4499		225.00			
CULBERT & SCHMITT, PLLC LEGAL-MAY 15	12	06/05/2015	AP180	Vendor #4499		562.50			
CULBERT & SCHMITT, PLLC LEGAL-PVILLE GATEWAY	11	05/12/2015	AP168	Vendor #4499		225.00			
CULBERT & SCHMITT, PLLC LEGAL-PVILLE GATEWAY-OCT 1	5	11/17/2014	AP82	Vendor #4499		56.25			
DONOHUE & STEARNS, PLC LEGAL/OCT 14	6	12/04/2014	AP90	Vendor #4192		125.00			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL	12	06/23/2015	AP188	Vendor #4688		2,656.25			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL-JUN 15	13	07/29/2015	PA3	Vendor #4688		395.00			
HIRSCHLER FLEISCHER LEGAL/FEB 15	9	03/27/2015	AP144	Vendor #1323		2,933.59			
HIRSCHLER FLEISCHER LEGAL/MAR 15	10	04/20/2015	AP156	Vendor #1323		76.00			
ODIN FELDMAN PITTLEMAN PC LEGAL-FEB 15	11	05/12/2015	AP168	Vendor #4501		7,797.00			
ODIN FELDMAN PITTLEMAN PC LEGAL-MAR 15	11	05/12/2015	AP168	Vendor #4501		102.00			
WHITING, ELIZABTH D LEGAL	12	06/23/2015	AP188	Vendor #4689		3,480.00			
YTD Total fc 100-4012210-3154			LEGAL SERVICES-COMM DEV		13,000.00	40,840.94	0.00	0.00	40,840.94

Account Number	Account Description / AM	Journal Date	Type/Num	Reference	Budget Amount	Debit	Credit	Enc/Liq	Act Exp
100-4012210-3150	LEGAL SERVICES-ADMIN								
ORIGINAL APPROPRIATION	1	06/30/2015	BY1-1	BY 6/30/2015	30,000.00				
A MORTON THOMAS AND ASSOCIATES INC LEGAL/HVAC-MAR	11	05/11/2016	AP153	Vendor #4081		17,352.00			
AKERMAN LLP LEGAL/HVAC DEFECTS-FEB 16	10	04/07/2016	AP133	Vendor #2392		6,265.00			
AKERMAN LLP LEGAL/HVAC-JAN 16	9	03/10/2016	AP121	Vendor #2392		3,245.00			
AKERMAN LLP LEGAL/JUL 15-HVAC DEFECTS	3	09/10/2015	AP39	Vendor #2392		2,990.00			
AKERMAN LLP LEGAL/TH HVAC-MAR 16	11	05/16/2016	AP155	Vendor #2392		17,352.00			
AKERMAN LLP LEGAL-HVAC/AUG 15	4	10/09/2015	AP53	Vendor #2392		2,536.50			
AKERMAN LLP LEGAL-HVAC/DEC 15	8	02/12/2016	AP109	Vendor #2392		1,363.06			
AKERMAN LLP LEGAL-HVAC-NOV 15	7	01/19/2016	AP99	Vendor #2392		942.45			
AKERMAN LLP LEGAL-TH HVAC DEFECTS	6	12/17/2015	AP83	Vendor #2392		9,889.93			
BANCROFT, MCGAVIN, HORVATH & JUDKINS, P C LEGAL/OC	5	11/09/2015	AP63	Vendor #3871		2,474.70			
BB&T BANKCARD CORP CONF REGISTRATION-SALLY HANKINS	3	09/29/2015	AP47	Vendor #54		395.00			
BB&T BANKCARD CORP LEGAL DUES	2	08/28/2015	AP33	Vendor #54		295.00			
CULBERT & SCHMITT PLLC LEGAL/APR 16	11	05/11/2016	AP153	Vendor #4499		506.25			
CULBERT & SCHMITT, PLLC LEGAL/FEB 16	9	03/10/2016	AP121	Vendor #4499		168.75			
CULBERT & SCHMITT, PLLC LEGAL-JAN 16	8	02/12/2016	AP109	Vendor #4499		450.00			
CULBERT & SCHMITT, PLLC LEGAL-SALES CONTRACT-GSA	7	01/19/2016	AP99	Vendor #4499		731.25			
FORD & HARRISON LLP HR LEGAL	6	12/17/2015	AP83	Vendor #4907		1,120.00			
FORD & HARRISON LLP LEGAL	11	05/31/2016	AP159	Vendor #4907		35.00			
FORD & HARRISON LLP LEGAL	11	05/31/2016	AP159	Vendor #4907		560.00			
FORD & HARRISON LLP LEGAL/PERSONNEL	9	03/10/2016	AP121	Vendor #4907		1,033.00			
FORD & HARRISON LLP LEGAL-HR	8	02/12/2016	AP109	Vendor #4907		140.00			
FORD & HARRISON LLP LEGAL-HR	8	02/12/2016	AP109	Vendor #4907		665.00			
FORD & HARRISON LLP LEGAL-HR	8	02/12/2016	AP109	Vendor #4907		280.00			
FORD & HARRISON LLP LEGAL-HR	8	02/12/2016	AP109	Vendor #4907		105.00			
FORD & HARRISON LLP LEGAL-PERSONNEL	9	03/10/2016	AP121	Vendor #4907		2,975.00			
FORD & HARRISON LLP LEGAL-PERSONNEL	10	04/12/2016	AP135	Vendor #4907		1,155.00			
HUBACHER & AMES PLLC CELL TOWER/WATER LEASES	5	11/19/2015	AP71	Vendor #3483		290.00			
HUBACHER & AMES PLLC LEGAL/MAR 16	10	04/18/2016	AP139	Vendor #3483		1,365.00			
Void Check 5/12/2016 10:17:25 AM	11	05/12/2016	VC36	Check# 60865			17,352.00		
	YTD Total fc 100-4012210-3150			LEGAL SERVICES-ADMIN	30,000.00	76,679.89	17,352.00	0.00	59,327.89
100-4012210-3151	LEGAL SERVICES-FINANCE								
ORIGINAL APPROPRIATION	1	06/30/2015	BY1-1	BY 6/30/2015	7,000.00				
	YTD Total fc 100-4012210-3151			LEGAL SERVICES-FINANCE	7,000.00	0.00	0.00		0.00
100-4012210-3152	LEGAL SERVICES-POLICE								
ORIGINAL APPROPRIATION	1	06/30/2015	BY1-1	BY 6/30/2015	7,000.00				
	YTD Total fc 100-4012210-3152			LEGAL SERVICES-POLICE	7,000.00	0.00	0.00		0.00
100-4012210-3153	LEGAL SERVICES-PUBLIC WORKS								
ORIGINAL APPROPRIATION	1	06/30/2015	BY1-1	BY 6/30/2015	50,000.00				

Account Number	Account Description / AM	Journal Date	Type/Num	Reference	Budget Amount	Debit	Credit	Enc/Liq	Act Exp
100-4012210-3153	LEGAL SERVICES-PUBLIC WORKS								
CULBERT & SCHMITT, PLLC LEGAL	4	10/09/2015	AP53	Vendor #4499		43.75			
CULBERT & SCHMITT, PLLC LEGAL/AUG 15	3	09/10/2015	AP39	Vendor #4499		1,068.75			

HAYS, DIANA REIMB/DEED FILING	2	08/18/2015	AP27	Vendor #4566		64.82			
HUNTON & WILLIAMS LLP PRIVATE USE REVIEW & ANALYSI	7	01/05/2016	AP89	Vendor #1062		15,662.00			
REFUND OVERPMT-REED SMITH	4	10/30/2015	CR252	5751			237.50		
YTD Total fc 100-4012210-3153			LEGAL SERVICES-PUBLIC WORKS		50,000.00	16,839.32	237.50	0.00	16,601.82
100-4012210-3154	LEGAL SERVICES-COMM DEV								
ORIGINAL APPROPRIATION	1	06/30/2015	BY1-1	BY 6/30/2015	15,000.00				
ANGELA PLOWMAN, PLC LEGAL4/15-11/15	8	02/25/2016	AP115	Vendor #1498		4,150.00			
BB&T BANKCARD CORP RECORD DEED	3	09/29/2015	AP47	Vendor #54		43.00			
BLANKINGSHIP & KEITH P C LEGAL/DEC 15	8	02/22/2016	AP111	Vendor #4687		1,475.00			
BLANKINGSHIP & KEITH P C LEGAL/FEB 16	9	03/16/2016	AP125	Vendor #4687		1,500.00			
BLANKINGSHIP & KEITH P C LEGAL/JAN 16	8	02/22/2016	AP111	Vendor #4687		700.00			
BLANKINGSHIP & KEITH P C LEGAL/JUL 15-MASON PROP	3	09/10/2015	AP39	Vendor #4687		6,468.45			
BLANKINGSHIP & KEITH P C LEGAL/MAR 16	10	04/18/2016	AP139	Vendor #4687		875.00			
BLANKINGSHIP & KEITH P C LEGAL-CLIENT MATTER 1165	3	09/21/2015	AP45	Vendor #4687		1,698.54			
BLANKINGSHIP & KEITH P C LEGAL-CLIENT MATTER 1165	3	09/21/2015	AP45	Vendor #4687		650.00			
BLANKINGSHIP & KEITH P C LEGAL-CLIENT MATTER 1165	5	11/19/2015	AP71	Vendor #4687		2,525.00			
BLANKINGSHIP & KEITH P C LEGAL-JUL 15-VINEYARD SQ	3	09/10/2015	AP39	Vendor #4687		3,950.60			
BLANKINGSHIP & KEITH P C LEGAL-NOV 15	6	12/17/2015	AP83	Vendor #4687		1,125.00			
GREEHAN TAVES PANDAK & STONER PLLC LEGAL/APR 16	11	05/31/2016	AP159	Vendor #4688		1,545.70			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL/DEC 15	9	03/10/2016	AP121	Vendor #4688		1,075.36			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL/FEB 16	9	03/16/2016	AP125	Vendor #4688		371.25			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL/JAN 16	9	03/10/2016	AP121	Vendor #4688		2,258.30			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL/JUL 15	3	09/04/2015	AP35	Vendor #4688		2,335.07			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL/MAR 16	10	04/12/2016	AP135	Vendor #4688		1,115.55			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL-AUG 15	3	09/21/2015	AP45	Vendor #4688		5,137.12			
GREEHAN,TAVES,PANDAK & STONER PLLC LEGAL-NOV 15	8	02/02/2016	AP103	Vendor #4688		601.33			
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL LEGAL/JAN 1	8	02/22/2016	AP111	Vendor #4807		1,433.08			
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL LEGAL-AUG 1	3	09/10/2015	AP39	Vendor #4807		367.50			
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL LEGAL-JUL 1	2	08/18/2015	AP27	Vendor #4807		2,022.40			
HALL, MONAHAN, ENGLE, MAHAN & MITCHELL LEGAL-PVILL	5	11/19/2015	AP71	Vendor #4807		5,867.40			
YTD Total fc 100-4012210-3154			LEGAL SERVICES-COMM DEV		15,000.00	49,290.65	0.00	0.00	49,290.65

ATTACHMENT 10

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	05/27/16 02:13:30 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/27/16 02:43:27 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/27/16 05:02:48 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/27/16 11:23:00 PM	Town Hall	454	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/28/16 09:54:04 AM	Town Hall	496	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/28/16 02:02:08 PM	Town Hall	712	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/29/16 12:12:48 AM	Town Hall	454	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/29/16 09:25:21 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 02:14:47 AM	Town Hall	454	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 08:40:19 AM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 09:32:42 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 09:33:24 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 10:38:28 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 10:39:59 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 10:49:33 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:00:41 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	05/30/16 11:03:13 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:11:09 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:20:11 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:23:01 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:30:06 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:31:18 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:33:14 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:34:29 AM	Town Hall	725	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:37:06 AM	Town Hall	725	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:45:01 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 11:45:53 AM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 12:20:24 PM	Town Hall	725	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 12:22:59 PM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 12:27:08 PM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/30/16 12:40:50 PM	Town Hall	383	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/31/16 06:51:47 AM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	05/31/16 06:59:47 AM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:08:23 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:18:02 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:37:58 AM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:47:43 AM	Town Hall	386	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:50:09 AM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:51:12 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:52:13 AM	Town Hall	386	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:53:26 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:55:56 AM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 07:58:13 AM	Town Hall	727	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 08:17:27 AM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 08:39:13 AM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 08:53:00 AM	Town Hall	738	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 08:56:10 AM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 09:00:43 AM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	05/31/16 09:08:27 AM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 09:28:45 AM	Town Hall	421	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 09:41:56 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 09:50:16 AM	Town Hall	421	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 10:06:51 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 10:47:17 AM	Town Hall	738	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 12:25:59 PM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 12:54:10 PM	Town Hall	738	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:01:08 PM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:05:50 PM	Town Hall	309	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:27:47 PM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:29:18 PM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:38:55 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 01:42:14 PM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 02:05:05 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 02:53:28 PM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	05/31/16 03:19:49 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 03:27:18 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 04:17:05 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 04:47:01 PM	Town Hall	309	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	05/31/16 09:35:53 PM	Town Hall	499	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 06:53:08 AM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:02:52 AM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:10:03 AM	Town Hall	403	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:24:20 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:26:46 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:44:40 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:47:19 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:51:11 AM	Town Hall	386	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/01/16 07:54:46 AM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 08:03:08 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 08:07:57 AM	Town Hall	727	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/01/16 08:15:36 AM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 08:48:39 AM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 08:49:30 AM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:00:53 AM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:01:37 AM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:07:20 AM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:09:10 AM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:26:02 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:35:07 AM	Town Hall	313	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 09:48:33 AM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 10:16:25 AM	Town Hall	309	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 11:04:03 AM	Town Hall	495	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 11:14:55 AM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 12:13:39 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 12:27:06 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 01:14:32 PM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/01/16 01:26:09 PM	Town Hall	321	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 01:42:28 PM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 02:02:49 PM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 02:20:33 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 02:37:26 PM	Town Hall	353	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 04:35:53 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 04:45:42 PM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/01/16 05:43:56 PM	Town Hall	282	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 04:43:08 AM	Town Hall	414	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 05:36:07 AM	Town Hall	489	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 06:50:20 AM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 06:56:09 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:00:23 AM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:07:42 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:18:07 AM	Town Hall	332	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:34:57 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/02/16 07:49:10 AM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:50:47 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:51:52 AM	Town Hall	386	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/02/16 07:55:53 AM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 08:07:04 AM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 08:40:57 AM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 08:54:53 AM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 09:07:47 AM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 09:14:00 AM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 10:42:42 AM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 11:19:51 AM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 11:48:32 AM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 11:53:28 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 12:32:33 PM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 12:33:46 PM	Town Hall	435	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 12:47:58 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/02/16 01:04:55 PM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:06:14 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:16:22 PM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:16:52 PM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:20:03 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:21:23 PM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:24:50 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 01:59:52 PM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 02:03:42 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 02:23:59 PM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 04:56:43 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 06:26:08 PM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 06:59:26 PM	Town Hall	737	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 09:24:33 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 10:24:31 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/02/16 10:25:29 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/03/16 06:56:42 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 06:57:35 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 06:58:08 AM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:04:35 AM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:50:07 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:50:33 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:50:39 AM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:52:45 AM	Town Hall	386	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/03/16 07:53:27 AM	Town Hall	477	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 08:03:01 AM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 08:06:14 AM	Town Hall	727	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 09:02:53 AM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 09:04:23 AM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 09:05:55 AM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 09:23:42 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 10:14:52 AM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/03/16 10:17:18 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 10:55:18 AM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 11:57:54 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 11:59:57 AM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 12:27:31 PM	Town Hall	280	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 12:31:11 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 12:40:41 PM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 01:27:42 PM	Town Hall	496	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 01:53:02 PM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 01:57:35 PM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 02:13:34 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 02:22:47 PM	Town Hall	715	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 02:26:04 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 02:29:41 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 02:47:40 PM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 03:44:52 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/03/16 03:50:20 PM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 08:31:29 PM	Town Hall	737	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 08:46:56 PM	Town Hall	499	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 08:56:55 PM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/03/16 10:04:49 PM	Town Hall	495	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/04/16 12:17:04 PM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/05/16 03:42:10 PM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 06:49:28 AM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:04:14 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:25:23 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:43:38 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:47:51 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:55:04 AM	Town Hall	727	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 07:59:07 AM	Town Hall	422	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:05:41 AM	Town Hall	279	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:09:04 AM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/06/16 08:27:37 AM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:33:16 AM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:39:49 AM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:49:26 AM	Town Hall	702	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 08:56:46 AM	Town Hall	313	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 09:03:02 AM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 09:07:19 AM	Town Hall	401	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 09:23:00 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 09:27:29 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 10:31:10 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 10:38:23 AM	Town Hall	744	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 10:44:55 AM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 10:51:21 AM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 11:08:33 AM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 11:11:55 AM	Town Hall	286	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 11:12:14 AM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/06/16 11:15:08 AM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 12:11:06 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 12:22:31 PM	Town Hall	713	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 12:24:18 PM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 12:24:19 PM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 12:58:36 PM	Town Hall	352	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 01:04:25 PM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 01:10:23 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 01:23:04 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 01:49:21 PM	Town Hall	746	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 02:12:59 PM	Town Hall	745	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 02:14:07 PM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 02:57:56 PM	Town Hall	749	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 03:45:35 PM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 04:18:00 PM	Town Hall	434	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 05:13:50 PM	Town Hall	372	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/06/16 05:19:27 PM	Town Hall	483	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 05:26:19 PM	Town Hall	741	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 05:27:55 PM	Town Hall	496	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/06/16 10:25:23 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:25:27 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:25:29 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:26:01 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:26:02 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:26:19 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:26:28 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:00 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:04 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:06 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:08 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:09 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 1 Nw Entry	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 10:27:37 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Denied: Card Expired	Door/Elevator

Type	Transaction Time	Controller	Card Number	Site	Point	Action	Transaction Source
Card Using Card No. Only	06/06/16 10:27:55 PM	Town Hall	347	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Denied: Card Expired	Door/Elevator
Card Using Card No. Only	06/06/16 11:43:05 PM	Town Hall	471	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:06:16 AM	Town Hall	307	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:15:11 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:43:48 AM	Town Hall	396	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:45:08 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:48:49 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:49:16 AM	Town Hall	735	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:49:20 AM	Town Hall	267	TOWN OF PURCELLVILLE	Town Hall Panel 0 SW Entry	Access Granted: Door Used	Door/Elevator
Card Using Card No. Only	06/07/16 07:54:37 AM	Town Hall	422	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door Not Used	Door/Elevator
Card Using Facility Code, Card No.,	04/02/16 07:37:23 AM	Town Hall	348	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door in "Unlocked" Mode	Door/Elevator
Card Using Facility Code, Card No.,	04/02/16 08:45:07 AM	Town Hall	269	TOWN OF PURCELLVILLE	Town Hall Panel 2 Overide Time	Access Granted: Door in "Unlocked" Mode	Door/Elevator
Card Using Facility Code, Card No.,	04/04/16 09:34:47 AM	Town Hall	397	TOWN OF PURCELLVILLE	Town Hall Panel 1 Elevator	Access Granted: Door in "Unlocked" Mode	Door/Elevator
Card Using Facility Code, Card No.,	04/04/16 10:15:32 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door in "Unlocked" Mode	Door/Elevator
Card Using Facility Code, Card No.,	04/04/16 10:57:06 AM	Town Hall	740	TOWN OF PURCELLVILLE	Town Hall Panel 2 NE Entry	Access Granted: Door in "Unlocked" Mode	Door/Elevator
Card Using Facility Code, Card No.,	04/05/16 08:00:55 AM	Town Hall	714	TOWN OF PURCELLVILLE	Town Hall Panel 0 Front Door	Access Granted: Door in "Unlocked" Mode	Door/Elevator

ATTACHMENT 11

PURCELLVILLE GATEWAY PARCELS

Originally PIDN #453377269000 - 15 acre parcel owned by Jordan River Acquisitions LLC

Tax Year	Assessment Value	Land	Building	Purcellville Real Estate Tax Collected (no FF District)
2007	$4,542,600	$4,072,000	$470,600	$8,176,68
2008	$4,674,600	$4,190,000	$484,600	$8,881.74
2009	$4,669,600	$4,190,000	$479,600	$10,506.60
2010	$4,460,900	$4,072,000	$388,900	$10,260.06
2011	$5,999,300	$5,608,100	$391,200	$13,798.40
2012	$9,098,990 *after 2 new construction supplements	$5,608,100	$3,490,890	$18,417.48
2013	$16,100,210	$5,608,200	$10,492,010	$36,225.48
2014	$16,187,830	$5,608,200	$10,579,630	$39,660.18

For tax year 2015 the County split the property into 2 parcels (commercial & residential) and the owner became NSHE Fool Hollow Lake LLC/ECHO Purcellville LLC

#453376309000 12.5 Acres of commercial
#453373441000 3 Acres residential- undeveloped

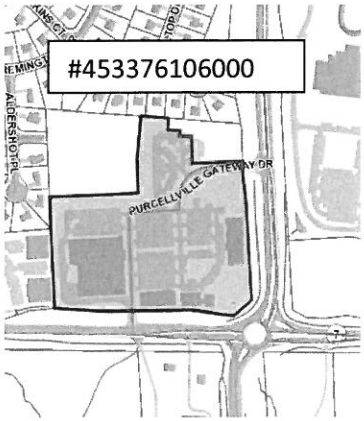
Tax Year	PIDN # / Total Assessment Value	Land	Building	Purcellville Real Estate Tax Collected (no FF District)
2015	453376309000 / $22,040,870	$6,593,700	$15,447,170	$48,489.92
2015	453373441000 / $360,000	$360,000	0	$792.00

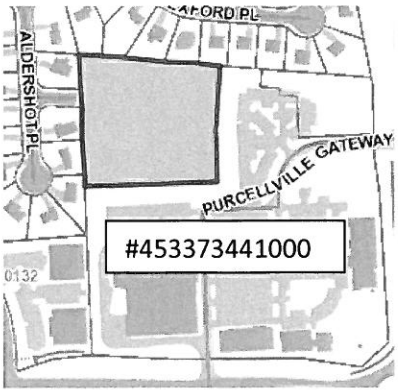
For tax year 2016 the County split the commercial property into 2 parcels and residential remained the same PIDN

#453376106000 11.5 Acres of commercial (all non-Chick-Fil-A businesses)
#453378447000 1.0 Acre Chick-Fil-A
#453373441000 3 Acres residential- undeveloped

Tax Year	PIDN # / Total Assessment Value	Land	Building	Purcellville Real Estate Tax Collected (no FF District) ESTIMATE @ 22 cent rate
2016	453376106000 / $27,964,660	$6,087,600	$21,877,060	Est. $61,522.26
2016	453378447000 / $2,001,630	$924,700	$1,076,930	Est. $4,403.59
2016	453373441000 / $360,000	$360,000	0	Est. $792.00

Note: All assessment information from Loudoun County Real Estate Parcel database. The 2016 official land book data has NOT been officially provided to the town yet and information is from online records.





ATTACHMENT 12

Town Manager
Robert W. Lohr, Jr.

Assistant Town Manager
Daniel C. Davis

221 S. Nursery Avenue
Purcellville, VA 20132
(540) 338-7421
www.purcellvilleva.gov

Town of Purcellville Virginia

Town Attorney
Sally G. Hankins

Chief of Police
Cynthia A. McAlister

Department Directors
Elizabeth Krens, Finance
Alex Vanegas, Public Works
Patrick Sullivan, Community Development
Shannon Bohince, Information Technology
Hooper McCann, Administration

MEMORANDUM - BUDGET DEVELOPMENT

TO: MAYOR AND COUNCIL MEMBERS
FROM: DANNY DAVIS, ASSISTANT TOWN MANAGER
THROUGH: ROBERT W. LOHR, JR., TOWN MANAGER
SUBJECT: **BUDGET REDUCTION OPTIONS**
DATE: APRIL 8, 2016

At the April 5th Budget Work Session, Council requested staff to review the proposed budget for possible expenditure reductions to keep the Real Property Tax rate at the current level of $0.22 per $100 assessed value. Council provided some suggested reductions, and staff has reviewed all department budgets for opportunities to find additional reductions.

During the Budget Work Sessions, staff has continued to emphasize – and we believe Council has supported – the need for the personnel enhancements included in the Proposed Budget. These staffing needs fill key roles and provide critical support in our daily operations.

Below is a table of proposed reductions/changes from staff that would more than meet the Council's target of $240,000 in order to maintain the current Real Property Tax rate. Discussion on each reduction is below the table.

Department	Line Item	Reduction Amount	Revised Line Item Amount
Overall/General Fund	Health Insurance	$55,000	(Crosses All Depts.)
Overall/General Fund	Pay and Benefits Miscalculations in Proposed Budget	($50,000)	(Crosses All Depts.)
Administration	Legal Expenses	$30,000	$109,000
Administration	Insurance	$10,000	$110,000

Administration	Consulting	$5,000	$10,000
Administration	Public Information	$5,000	$5,000
Police/Public Works	Police Station Feasibility Study	$50,000	$0
Police	Capital Outlay – Vehicles; Reduce from 2 to 1 replacement vehicles	$42,000	$42,000
Public Works - Administration	Compensation Recalculation	$20,000	$318,542
Public Works - Administration	Engineering/Consulting	$10,000	$20,000
Public Works - Engineering	Engineering/Consulting	$10,000	$50,000
Public Works - Maintenance	State Fund Expenditures	$50,000	$478,000
Public Works - Maintenance	Town Street Maintenance	$5,000	$214,500
	TOTAL PROPOSED REDUCTIONS:	**$242,000**	

Overall/General Fund

The Health Insurance savings has been discussed previously. In addition, this category shows the adjustments necessary across the proposed budget to account for miscalculations of salary and health benefits throughout the proposed budget.

Administration

Legal Expenses are proposed to be reduced by $30,000. This matches the budgeted amount for FY 2016. We believe this is achievable for two reasons. First, we have seen significant litigation in FY 2016 and hope that will subside in FY 2017. Second, we believe the paralegal enhancement will result in savings by not having to use outside counsel as much. We believe this is an appropriate and achievable reduction.

Also in Administration, we have received a revised annual quote from VML on our Insurance which saves $10,000. We have proposed reducing the Records Management Consultant amount by $5,000 and Public Information services by $5,000.

Police

As discussed with Council, we have shown the removal of the feasibility study for a new Police Station, and we have proposed reducing the vehicle replacement from two vehicles to one.

Public Works Administration

Due to changing personnel in this division, we believe the compensation line for Public Works Administration can be reduced by $20,000. There is no change in employees or organization of the department at this time, but we believe there will be a cost savings in FY 2017. We have also reduced Engineering/Consulting by $10,000. This may impact Council's ability to conduct as many studies as it has in the past. Nonetheless, should new projects come up that need review/study, Council can consider those during the year and propose a Budget Adjustment, if necessary.

Public Works Engineering

We have proposed reducing the Engineering/Consulting line by $10,000 similar to the PW-Admin line discussed above. As a result, the total amount budgeted for Engineering/Consulting between the two divisions for FY 2017 will be $70,000. In the proposal presented here, we have *restored* the needed vehicle in Public Works Engineering. We believe this vehicle replacement is very important to safe operations and will avoid costly repairs to our current vehicle that is 12 years old and has a history of challenges (electrical problems, etc).

Public Works Maintenance

In reviewing past years' expenditures, staff has identified that the line item for direct expenditures on State roads may have been overstated. The Town receives $667,540 in revenue from the State for road maintenance on State roadways. The Town can charge staff time costs, Town equipment costs, and direct costs (contractors/materials) to this revenue line. In reviewing past years' expenditures for State roads, we have seen that we charge a significant amount of equipment and staff time to this revenue source, and we don't have as many direct costs as budgeted. We are proposing to reduce the direct cost expenditure line (100-4041350; Maintenance Streets – State) by $50,000. This does not mean we are doing less work on State roads; instead, it means that we are more accurately reflecting the Town's expenditures for State roads across the various line items. Without this change, we are putting Town revenues toward State road maintenance.

Staff is also proposing to reduce Town Street Maintenance expenditures by $5,000 to match the FY 2016 budgeted amount. This will not impact current or proposed projects.

Conclusion

In conclusion, staff has proposed $242,000 in reductions for Council to consider. These proposed changes fix the issues identified in the proposed budget document, account for savings identified by Council, and provide additional savings in current operational costs.

Staff also would like to note that the tax rate Council is hoping to achieve - $0.22 – is actually **lower** than the equalized tax rate. Due to the slight decrease in existing properties' assessments, the equalized tax rate would be $0.222. We hope this information is helpful as Council makes its decision on the Real Property Tax rate at the April 12th meeting. We are ready to respond to any questions you may have.

ATTACHMENT 13

Neighboring Jurisdictions employer/employee health insurance payment percentage for full-time employees:

Locality	% for Single	% for Dual	% for Family
County of Loudoun (Cigna – Multiple plans) POS Plan OAP Plan CDHP-HAS/HRA Plan Dental/Vision	 85/15 90/10 95/5 85/15	 80/20 85/15 90.5/9.5 80/20	 75/25 75/25 82/18 75/25
Leesburg Anthem HealthKeepers Anthem Keycare PPO	 89/11 85/15	ee + child(ren) ee + spouse 87/13 85/15 83/17 81/19	 78/22 74/26
Hamilton (The Local Choice - Key Advantage Expanded)	100	100	100
Round Hill (The Local Choice - Key Advantage Expanded)	100	80/20	60/40
Middleburg (The Local Choice - Key Advantage Expanded)	100	85/15	80/20
Lovettsville (The Local Choice - Key Advantage Expanded)	100	85/15	80/20
Herndon (The Local Choice - 3 Plans) Key Advantage Expanded Key Advantage 250 Kaiser	90/10	72/28	72/28
Purcellville Currently: The Local Choice - Key Advantage Expanded Proposed FY2017: The Local Choice - Key Advantage 250	85/15	85/15	85/15

04/07/16 (info update 04/11/16)

ATTACHMENT 14

QUESTIONS FROM MAYOR FRASER ON 3/30/16

	Item Name or Fund Number	Amount	Comment	Management Response
1	Market Adjustment	$25,000.00	Is there a need to make adjustments at this point? What happens if we don't?	We have identified certain staff members whose salaries are severely lacking in both internal and external equity. These staff members are important to our operations and would leave a huge gap in knowledge and productivity if they choose to pursue employment at another location where they would be paid at a level commensurate for their experience and education. We believe the current pay for some employees was set too low at hiring and needs to be adjusted appropriately.
2	Compensation study	$10,000.00	Can we contact VML, NVRC, or other municipalities to complete a jointed study. The can submit compensation with personal identifiable data and agree to share the results across all participants.	We are currently participating in study sponsored by Bluffington, SC. Once the study is complete, they will share their specific job data to use as a comparison for market pricing. This data will be helpful but it is only a small part of the Compensation Study. Our ranges need to be updated and jobs evaluated for internal and external equity.
3	Records Management	$15,000.00	Can we use an intern or interns to do this? Is this really a specialized function that require a high degree of mastery? What happens if it does not get done this year?	We would anticipate using interns to assist us in applying the results of the study to our voluminous documents. However, records management is a specialized area of experience, education, and law, and we would want to rely upon a consultant to develop a strong program and policies.
4	Paralegal	$33,609.00	What's the value of this and if this position is added what other Administrative Legal expenditures would be reduced pg.99. What happens if we don't add this?	See attachment included in April 5th agenda packet
5	Police Office Manager	$81,188.00	Why can't we use the sworn officer to do field work? Is there a problem with having this sworn officer handle minor complaints and do reports to assist the other field officer allowing them more time to patrol? Is there any opportunity to have Loudoun County Deputies increase enforcing traffic violations in town to make sure our county tax dollars are working for our citizens? What happens if we don't approve this increase?	Currentyly Cpl. Costello fills the role of Office Manager position. He currently serves as the accreditation manager, field training manager, recruitment officer, and the IT specialist. He does handle walk in complaints and finger printing requests as well as covers the front desk when the admin. assistant is out of the office (leave, lunch, training). He continuously assists in updating and modernizing forms used by the department. For the last 18 months he has served as the department representative w/LCSO in the development of the new records management system that will be used by the departement. Other duties I envision an additional staff person handling, which would benefit our town, are certain activities related to crime analysis, a community outreach coordinator, Volunteer in Police Services coordinator (a program I initiated this year). These are functions that cannot be handled by a sworn officer who is also working patrol duties. I would also like to bring back the Explorer Post, but this cannot be brought to fuition utilizing officers that work shift work.
	Police Office Manager (Continued)			The Town works closely with the Sheriff's Office to provide mutually supportive services and activities. While we do rely upon LCSO for crime investigations, crime analysis, and critical emergencies, the Town provides a more direct level of patrol and community policing than LCSO could with its current resources. There are limited Sheriff's deputies in all of Western Loudoun, so it would take enhancements in the Sheriff's Office to provide more enforcement within the Town limits. If this request for the office manager is not approved, administrative duties will continue to fall on command staff (Chief and Lt. Schroeck). This will keep them from focusing on leadership development and management of the department and officers. This is a position that CANNOT go vacant. Aslo, the purpose of hiring a civilian is to place this officer position back in patrol. If a civilian is not hired, a sworn position will be pulled in to cover once Cpl. Costello retires. This will cause us to have one squad with only two officers assigned.
6	Vehicle Replacement	$84,000.00	How many new vehicles has the Police Department received over the past 2 years and how does this compare to other departments? What are the gains in vehicle upkeep and life expectancy given the new mechanic being on staff? Is there a critical need for this, what happens to delay this a year or two?	Over the past two years, we have received one new police vehicle each year. This 2016 Ford Police Interceptor Utility is being outfitted and should be operational shortly. Having a mechanic on staff has helped with general maintenance costs such as oil changes, brake work, and other routine repairs. Idling (a police necessity), car sharing, and the drain of technology take its toll on the lifespan of a police vehicle. The town's CIP calculates replacement cycles for departments, and the PPD is scheduled to replace three vehicles. One vehicle was removed per Town Manager's recommendation, leaving two in the budget. The department has in the past delayed purchasing, but it did not prove to be cost effective as the department paid some extremely high maintenance costs to keep the vehicles operational. Officers need to depend on their cruisers to work and work well.

QUESTIONS FROM MAYOR FRASER ON 3/30/16

	Item Name or Fund Number	Amount	Comment	Management Response
7	Assistant Director of Public Works	$81,000.00	Can't we have any of the current part-time positions move to fulltime to satisfy the requirements of this role? I believe it was mentioned somewhere that the part time employees can get partially paid from the VDOT revenue sharing for VDOT projects that they are working on or water & sewer funds? Can't a Project manager fulfill the requirements of this role for less?	We would not get the same level of service as this is a higher level position that requires a different skill set. Regardless, this is not a new position only filling an old position that was frozen. This has a small impact to the tax base as it is funded out of three different funds. Danny and Alex intend to re-organize the structure of the department to see if we can use a lower level position or consolidate positions to maximize performance.
8	PD Facility Site Study	$50,000.00	Can we find a firm, maybe one of the firms we pay annual subscription to, to conduct a preliminary analysis pro-bono? What the risk of pushing this back a year.	The purpose of this enhancement is to give Council options for potential locations for a new Police Headquarters. If Council is satisfied with moving forward with one location (Town-owned property on 20th street) without looking at further options, this feasibility study could be deleted from the budget. The type of review and analysis needed for this study is one that we would willingly take pro bono from a firm, but due to the expertise needed we would want to ensure the firm is experienced and knowledgeable in site development and public safety buildings. Staff can check if there are opportunities but this is a very specialized design so there are a limited amount of firms that offer this service. We can also check to see if there are any grants available to help offset the cost of the study.
9	Events Specialist PT to FT	$41,618.00	What type of growth are we projecting for actual town events that will require this coordination and management by the Events Specialist. Will any of these increase events be held at Fireman's Field?	See attachment included in April 5th agenda packet
10	PW Water - Vehicle Replacement	$41,000.00	What happens if this is delayed 1 or 2 years?	This vehicle is in fair condition with over 92,000 miles. As it assists in the snow plowing operations, it is important to have a replacement vehicle so that we don't face mechanical issues during the winter months.
11	Merit Increase	TBD	Why 3% and not 1% or 2%.	Town Manager assigned the 3% based on discussions with managers and HR after reviewing the following: 1) Consumer Price Index of the Washington/Baltimore area; 2) Summary of proposed pay raise amounts being recommended by other communities in the NVRC; 3) Experience of needed retention and recruitment challenges throughout the past year; 4) Offset impact to any proposed health care adjustments/program changes that may be implemented.
12	Expenses:			
13	**100-4012100-2300 Admin. Health Insurance**	$103,157.00	Why the $30k increase. How competitive is this versus other jurisdiction?	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
14	100-4012100-3130 Consulting General	$15,000.00	What can be cut here?? What is this projected for?	These funds are for the Records Mgmt. Consultant
15	100-4012100-3135 Compensation Study	$10,000.00	Can we get this study from a collaborative effort with other municipalities?	We are currently participating in a study sponsored by Bluffington, SC. Once the study is complete, they will share their specific job data to use as a comparison for market pricing. This data will be helpful but it is only a small part of the Compensation Study. Our ranges need to be updated and jobs evaluated for internal and external equity.
16	100-4012100-5308 Insurance-Municipal	$120,000.00	Why the increase? How does this compare to other municipalities?	Virginia Municipal League Insurance Programs (VMLIP) began in 1980 and is the most financially stable group self-insurance pool in the Commonwealth of VA, currently servicing nearly 500 VA local political subdivisions. Prior to VML (Virginia Municipal League) and VACo (Virginia Association of Counties), the Town and other jurisdictions experienced rapid fluctuations in premiums and unjustified cancellations of coverage due to lack of stability in this specialized market. Over the last five fiscal years, this local government general liability premium has fluctuated minimally. The average change over the last 5 years is approximately a 2% overall increase even with a significant increase in the Town's excess liability coverage. The estimated premium originally presented to TC is just over 3%. Our initial premium estimates, received 4/1/16, for FY 2017 is approximately $110,000. Please note – this amount also includes the annual estimated premium of $3,773, paid to the Commonwealth of Virginia for supplemental Law Enforcement Liability and Public Officials Liability coverage through the Virginia Liability Risk Management Plan (VaRISK 2).

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	Item Name or Fund Number	Amount	Comment	Management Response
17	100-4012200-3155 Council Legal Svcs.	$10,000.00	Why the $10k increase??	The Town Council is taking on more challenging projects and programs and I expect to see your legal fees increase as a result. An example of projects that require outside support include the selling of assets, leasing existing property to non-profit organizations, reviewing tax exempt financing options, changing zoning of Town property to make them more valuable, extensive review and actions related to our Comp Plan update, zoning ordinance amendments and text amendments. We are also facing the Sierra Case that could result in some additional outside funding for legal action next year.
18	100-4012200-5230 Comm. Dev. Legal Svcs.	$35,000.00	Why the $35k increase??? What is the risk exposure if this is not spent and what's the likelihood of the risk occuring?	Response provided on page 2 of Master Questions List dated 3/31/16
19	**100-4012240-3140 Finance Financial Advisor**	$25,000.00	How is this different from the Financial Advisory services elsewhere in the budget?	Staff divides Financial Advisor fees between funds based on work performed. For example, invoice may be divided between funds based on the subject matter covered in a presentation, analysis or dollars split of a bond issue. GF typically includes expenditures associated with financial advisor work or arbitrage rebate calculations for post issuance debt compliance requirements.
20	100-4012240-3150 Fix Asset Inventory	$5,500.00	What's this??	These expenditures are associated with annual fixed asset inventory process. We contract with an outside firm who performs an onsite inventory throughout all town facilities. This exercise is important to account for the Town assets and provides proof of proper asset control during the Town's annual audit.
21	100-4012410-1100 Finance Staff	$602,712.00	Why the increase again??	This is for the AP/Payroll position approved in January and for the Procurement Specialist position. Response provided on page 5 of Master Questions List dated 3/31/16
22	100-4012410-1200 Finance-OT	$10,000.00	I would expect less overtime with the additional staff and the new system.	Overtime is in fact higher during a software transition as the project requires significant resources while maintaining other critical job duties. A successful software implementation takes dedication to ensure that all deadlines are met and the project is successful. A small organization with staff positions one deep does not have the resources to commit specific positions to software transition project so overtime is necessary to manage the expected workload. It is also important to note that only Dept. Directors and higher are "exempt" employees - all other staff are currently hourly employees. So any hours worked over 40 per week are paid overtime.
23	100-4012410-2300 Health Insurance	$86,586.00	Why the reduction? How is this compared to other towns?	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
24	100-4012410-5809 Computer Software /Maint.	$25,000.00	What type of software is this. Can a Cloud infrastructure to cut cost?	The maintenance/support fees for the Logics and Capital software for FY17. The old systems will need to be maintained until the new system is fully implemented. Cloud is not available with our legacy software products but is an option with the new Tyler/Munis product.
25	**100-4012510-1100 IT Staff**	$182,068.00	What's accounted for in this increase?	This increase is for the enhancements approved in January. Response provided on page 6 of Master Questions List dated 3/31/16
26	100-4012510-1200 OT	$5,000.00	With this increase in staff why more overtime??	Software implementation (see response to question 22)
27	100-4012510-2300 Health Insurance	$38,417.00	Why the increase. How does this compare to other municipalities?	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
28	100-4012510-2400 Life Insurance	$2,385.00	How does this compare to other municipalities?	These rates are set by the VRS Board of Trustees for all participating political subdivisions. They can be changed by the General Assembly.
29	100-4012510-3141 Website Design & Maint.	$13,000.00	The design is a one time event, how much is the maintenance which is recurring	This line includes about $4,000-$6,000 for ongoing maintenance, as well as other web hosting expenditures, such as domains for other sites that are maintained by the Town (for special events, etc), email SPAM filtering, etc. Staff will provide more information.
30	100-4012510-3144 Consulting & Tech. Support	$16,000.00	Why is this needed, don't we have the internal expertise?	These funds pay for the IT consultant for finance staff. He manages their systems, PCs, and domain. As we transition to Munis, we will also rely on him to help us convert data from our current legacy systems to Munis.
31	100-4012510-3310 Laserfische System Maint.	$6,000.00	What is this and how old is it? Can we retire this and save?	This is our document imaging system. This allows us to scan and save all documents to reduce physical storage requirements. This is used by finance to track all invoices/POs and other related documents for payments. This is important to our current operations.
32	100-4012510-5808 Hardware Operations	$65,000.00	Please provide a list of all our IT Assets, In Service Date, and End Of Life Date - Can these go to the cloud or be virtualized?	Previous request on 3/29/16 - Staff compiling information for future response.

QUESTIONS FROM MAYOR FRASER ON 3/30/16

	Item Name or Fund Number	Amount	Comment	Management Response
33	100-4012510-5809 Software Operations	$12,000.00	What Software and how can we save??	Staff compiling information for future response.
34	**100-4031100-1100 Police Staff**	$1,132,573.00	Is this increase for the Project coordinator?	The increase in staff is for the proposed Office Manager enhancement.
35	100-4031100-1200 OT	$130,000.00	Why the increase in Overtime? Can we work with the county for additional coverage?	The overtime budget is an unrealistic number and has been set too low. Over the years it has been impossible to stay within the OT budget. This needs to be adjusted to an amount that is manageable. Paying officers working holidays and backfilling for staffing shortages is our highest category. There are many pro-active operations that could benefit the quality of life within the town, but the PPD must choose wisely on when and where to staff using OT because of the impact on the OT budget. The Sheriff's Office is not in a position to help us with extra staffing.
36	100-4031100-2300 Health Insurance	$184,417.00	How is this compared to other municipalities??	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
37	100-4031100-2400 Life Insurance	$14,478.00	How is this compared to other municipalities??	These rates are set by the VRS Board of Trustees for all participating political subdivisions. They can be changed by the General Assembly.
38	100-4031100-2500 Long term Disability	$6,624.00	Why is this new, what changes necessitated it?	Hybrid Employees under the new VRS structure receive LTD benefits under the plan. Plan 1 and 2 employees do not receive LTD and must rely on sick leave if the are disabled. This is an inconsistency in our benefit plan. This coverage would allow us to provide consistent coverage to our employees and not create disparate treatment among our employees.
39	100-4031100-5420 Rent/Cleaning	$115,000.00	Separate out - What is Cleaning and what is rent expense?	In the current budget we pay $4,800 for yearly cleaning and our current yearly rent is $79,893.48. Our current lease is due to expire in June of 2016 and the new lease with the new property owner is being negotiated now. The extra money in this account is for improvements to the police facility. The additional funding is used for repairs that the PPD is responsible for. For example: AC repairs, generator repairs, water heater, etc. (triple-net lease). Appropriate levels of funds are budgeted to plan for a new lease and associated expenditures.
40	100-4031100-5808 Computer Operations	$10,000.00	How is this different from the IT budget above?	This covers mobile data computers (MDC) that are unique to the PPD. This fund is to supplement our current inventory and purchase for any new officers. It also replaces any MDC that becomes obsolete.
41	100-4031100-5809 Computer Software	$7,000.00	How is this different from the IT budget above?	This is for any and all law enforcement specific software that aides in supporting the law enforcement mission.
42	100-4031100-6008 Vehicle Maint/Gas	$45,000.00	Should we be seeing a decrease in maintenance with the new staff that was hired?	We may see a savings with general maintenance that may aid in longevity of our cruisers, however, only time will tell. Often a part time mechanic cannot meet repair needs that are of an urgent nature. Officers need access to their cruisers and cannot have them out of service for days on end. More technical/complicated car issues need specially trained mechanics and must be outsourced.
43	100-4031100-6010 Equipment	$40,000.00	What equipment are we projecting for?	We have a need for ammunition, range equipment, traffic radar, alco-sensors, and specialty duty gear pieces. We will continue working to upgrade our In-car camera systems as well as implement body cams for patrol officers. Some of this will be purchased prior to the end of FY16, however, all will not and additional funding will be needed.
44	**100-4041050-1100 PW/Admin/Eng Staff**	$338,542.00	Why the $100k increase?? Can we shift Part-time to fulltime or have a PM in this role?	This is for the PW Asst. Director enhancement. As discussed at the 3/29 Work Session, this is a role that cannot be handled by moving the engineers to full-time. This was an existing position that was consolidated during the recession (with reservation and with the understanding that it might need to be revisited at the appropriate time). The responsibilities of the Assistant Director would be to handle major issues, policy-level management, and serve as the Director during his absence or leave. The capabilities for this role are different than those of our current part-time staff, who primarily handle GIS, inspections, and other engineering type work. It is very important to the success of projects and our Public Works operations to have an Assistant Director in this role.
45	100-4041050-2300 Health Insurance	$64,739.00	How is this compare to other municipalities?	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
46	100-4041050-2500 Long Term Disability	$1,472.00	Why is this needed for the first time - Was not in prior budget	See response provided for Question 38

QUESTIONS FROM MAYOR FRASER ON 3/30/16

	Item Name or Fund Number	Amount	Comment	Management Response
47	100-4041050-3142 Consulting/Engineering	$30,000.00	What is this needed for?	We utilize consultants for items that are specialized whereby we don't have staff available in handling these types of analysis. Just like doctors and attorneys, engineers specialize in various fields. One critical field is transportation analysis. Since the transportation study keeps getting pushed back, we may have to increase this number.
48	100-4041050-3144 Transportation Study	$0.00	What was this transportation study for?	The last transportation study was completed in 2009. It is recommended to conduct one every 5 years. The transportation study provides guidance to the future demands on the roads and provides improvements that need to be done as a result of projected growth.
49	100-4041050-3145 PD Facility Site Study	$50,000.00	Can this be done pro bono, looking at potential sites - Can't we ask the firm that is making the station in Round Hill to give us a rough estimate at no cost? With 3.4 square miles can staff and the community select 4 desired locations via the Comprehensive Plan then we do feasibility?	Response provided above re: feasibility study (question 8). We can definitely get information from LCSO and other jurisdictions on the size of their facilities and costs. However, location must be determined by Council. It is not staff's intent to wait until the end of the Comp Plan process to select a location - we hope to get that accomplished quickly so that we can begin preparing for a CIP project. Additionally, the Comp Plan update was not intended to answer specific questions like this. If there is time and money available at the end, then it is possible that certain specific items could be addressed. However, that process is about 3 months in with another 15 months to go. Staff would like to plan on a decision for a police headquarters more quickly than that. Staff can check if there are opportunities but this is a very specialized design so there are a limited amount of firms that offer this service. We can also check to see if there are any grants available to help offset the cost of the study.
50	**100-4041100-3142 PW Engineering/Consulting**	$60,000.00	What will this Consultant do that we cannot using existing internal resource?	This is for specialized studies or analysis and design. Last year, the majority of the funds were used for drainage issues that were complaint driven on 12th Street, J Street and 32nd street.
51	**100-4041200-1100 PW Maint. Staff**	$596,023.00	Why the $60k increase??	Maintenance Worker enhancement; includes 3% pay increase for staff
52	100-4041200-1200 OT	$40,000.00	Why increase in Overtime??	The overtime budget is an unrealistic number and has been set too low. Over the years it has been impossible to stay within the OT budget. This needs to be adjusted to an amount that is manageable. This accounts for handling issues and emergencies outside of normal hours, such as sewer backups, water leaks, and snow removal.
53	100-4041200-2300 Health Insurance	$162,101.00	How does this compare with other municipalities	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
54	100-4041200-2400 Life Insurance	$7,507.00	How does this compare with other municipalities	These rates are set by the VRS Board of Trustees for all participating political subdivisions. They can be changed by the General Assembly.
55	100-4041200-2500 Long Term Disability	$3,680.00	Is this a new line item and why??	See response provided for Question 38
56	100-4041200-3310 Equipment Repairs	$24,000.00	What equipment can we have a list showing in service date and end of life and maintenance plan in place?	This is for equipment repairs that can't be done by our current staff, such as repairs to our large equipment, transmission repairs, engine repairs, etc.
57	100-4041200-5814 Safety	$20,000.00	What is this???	This is for the safety program and OSHA compliance, (training, PPE, signage, etc.)
58	100-4041200-5832 Parking Lot Maintenance	$10,000.00	Which Parking Lot??	All the Town owned parking lots, including the Miler lot, lot on Hatcher, 21St Street parking lot and Town Hall Parking lot.
59	100-4041200-6007 Building Expenses	$20,000.00	Which building and what type of expense?	This is for repairs to Maintenance building and the Barns at Village Case, House on 20th Street at Fireman's Field and old Maintenance building. Examples: repairs to fences, preventive maintenance to heat and cooling system, garage doors, etc.
60	100-4041300-5903 Street Sweeping (Town)	$15,000.00	Why are we projecting more than the FY2016 actual??	We projected more in this line item for the extra events that occur in the downtown area, after each event we have a street sweeping contractor to come in and clean the streets.
61	100-4041300-6014 Mosquito Control/Mitigation	$2,500.00	What about some bat houses? - What is this spent on?	This is spent on treating areas for mosquitoes. Bat houses can be effective, but with the size of the Town and various areas that need to be treated, we cannot assure that bat houses would fully address problems with mosquitoes.
62	100-4041350-5908 Street Sweeping (State)	$50,000.00	Why is "State" in parenthesis - Are we reimbursed by the state for these?	Yes, the state reimburses us on some of the street sweeping expenses. This is part of the Street Revenue funds.
63	100-4043200-3310 Town Hall Bldg. Repairs	$35,000.00	Which repairs are covered here?	This includes any general repairs and supplies necessary for the Town Hall, to include but not necessary limited to: flooring, painting, plumbing, electric, lighting, audio/visual in chambers & meeting rooms, video cameras, stairs, etc.

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	Item Name or Fund Number	Amount	Comment	Management Response
64	100-4043200-5110 Town Hall Electricity	$33,000.00	Can we save on electricity with more LEDs?	To move to all LED lighting in Town Hall, where possible, would require a considerable initial investment. All lighting at Town Hall, at this time, is florescent. Typically, lighting is the lowest part of an electricity bill, while HVAC tends to be the largest.
65	100-4043200-6017 Town Holiday Lights	$7,500.00	Can we get a business to sponsor this each year?	This line item covers costs associated with the installation/removal of the Christmas wreaths, installation/removal of lights/decorations on the Town Christmas Tree, including electrical repairs. Also costs associated with holiday/seasonal banners at the Tabernacle and 23rd Street parking lots including installation/removal and replacement. As staff is generally prohibited from requesting direct contributions for Town activities/programs, we rely on the elected officials, committee, commission and board members and community partners to seek sponsorships and partnerships with the business community.
66	**100-4081100-1100 Planning Staff**	$300,188.00	Why the $20k increase?	FY16 salary adjustment - Sr. Planner; includes 3% pay increase for staff.
67	100-4081100-1200 OT	$20,000.00	Why the increase in overtime?	Increase due to additional work on Comprehensive Plan and ongoing regular activities of the PC and BAR.
68	100-4081100-2300 Health Insurance	$23,340.00	How does this compare to other municipalities?	Questions related to Health Insurance were addressed at the 3/31 meeting and in the packet of responses for the 3/31 meeting. Further information about neighboring jurisdictions is being compiled by staff.
69	**100-4011100-5810 Council Dues & Subscriptions**	$13,500.00	What dues are covered here. Where is the NVRC and VML Dues?	Northern VA Regional Commission $7.7K; VA Municipal League $5.4K
70	**100-4082600-5802 Environmental Spec. Progrm**	$2,100.00	Will this not be rolled into Tree and Beautification	This can be rolled into the Tree and Beautification line item; however, these funds are needed for the annual "Earth Day" events - primarily the "Hail to the Trail" event.
71	**100-4092000-0100 Pay for Perf. Adj.**	$100,000.00	Why the increase, can it be less??	As part of Council's previous guidance on pay for performance, the Town Manager proposes a merit increase (shown in each department's "Compensation" line) and also a bonus pool for pay-for-performance. Staff is continually evaluating this program to ensure it achieves the goal of recognizing top performers and model employees. This line item is two expenditures: $75,000 for pay-for-performance bonus pool (same amount approved by Council last year) and $25,000 for the market adjustment (rationale for this request provided in question 1)
72	**100-4094000-8205 Police Capital Outlay**	$84,000.00	What is this item?	Replacement of 2 vehicles
73	**110-4071100-1100 Parks & Rec Staff**	$60,373.00	Why $20k increase??	Events Specialist enhancement pt to ft
74	110-4071100-2300 P&R Health Insurance	$19,209.00	Why is this the first year this is being offered?	Benefits for position from pt to ft
75	110-4071320-3320 P&R Train Station Cleaning	$8,500.00	Do we use the same cleaning company for all our building?	Yes
76	110-4071320-5110 P&R Train Station Electricity	$3,500.00	What lighting do we have at the training station?	We have regular electricity needs at the Train Station. Lighting is regular fluorescent or filament lighting. Recently we added special art lighting for the hosted art shows, but those are only used during those events.
77	110-4071320-5802 P&R Train Station Shared Parking Agreement	$6,400.00	Why the increase for parking? Who is this shared with? How many dedicated spots?	At the August 26, 2014 Work session, Town Council voted to modify the shared parking license agreement with Western Loudoun Development LC to increase the monthly compensation for the parking lot at Magnolia's/Train Station to $500 per month with an annual calendar year 4% escalation. This updated agreement became effective January 1, 2015.
78	110-4071320-5932 P&R Train Station Landscaping	$4,000.00	How many landscapers do we have? Can we realize any savings from combined spent?	We have one landscape company
79	110-4071500-5801 Youth Sports Program & Dev.	$5,200.00	Remove this I don't believe there is way to ensure the $$ gets to those in actual need?	This is up to Council. The funding can be removed if Council does not wish to spend funds for this purpose.
80	110-4071500-5804 P&R Community Center	$1,000.00	Which community center and why??	Loudoun Valley CC. For many years, the Town has supported the LVCC and its fundraising group through a small donation. These have often helped with improvements to the outside and inside - such as playground, equipment, and other needs.
81	110-4071500-5818 P&R Music & Arts Festival	$12,000.00	Why a $4000 increase??	In FY 15 $12,000 was spent on the event and the additional cost was offset by sponsorship revenue above the $1,500 goal. The request reflects the true direct cost of the event. Note that the revenue line associated with this event has been increased to $6,000.
82	**501-4012200-3310 PW Water Contracts**	$31,000.00	In what ways can these be lowered	Lowering these specialized service contracts would result in potential breakdown of equipment or failure in compliance.
83	501-4012200-3315 SCADA Contracts	$21,000.00	In what ways can these be lowered	Lowering this amount would result in a vulnerability to our drinking water system and would result in a situation whereby it would take staff a longer period of time to notice problems at the wells since they are not manned locations.

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	Item Name or Fund Number	Amount	Comment	Management Response
84	501-4012200-3320 Sludge Disposal	$14,500.00	In what ways can these be lowered	We could invest in more holding tanks otherwise this is a serious bottle neck for the filter backwash process.
85	501-4012200-5846 Water Samples	$14,000.00	Why the increase??	Compliance testing which includes Lead & Copper Testing.
86	501-4012200-6004 New Equipment & Tools	$29,000.00	Why the increase??	Replacement of settling tubes in filter #2 and filter#3. The tubes are in poor condition and are starting to crack. Other possible items that may need to be replaced are backwash pump and air compressor.
87	501-4012250-3135 Financial Advisor	$20,000.00	Can't we by now provide any of the services our financial advisors provide?	This is for services rendered by Davenport. We do not have the internal capabilities to provide that specialized service.
88	501-4012250-3140 Professional Services	$65,000.00	Can't we do this internally?	This is for studies and design of infrastructure related to the water fund.
89	501-4012250-3145 GIS Layers	$22,000.00	What is this?	This is for the GIS of our water system and any modifications that occur to existing database.
90	501-4012250-5826 Mowing	$12,000.00	Who does our mowing? Is it a single or many vendors?	We have a vendor that was procured but sometimes we will use the second best bidder based on workload and timing.
91	501-4012250-5849 Watershed Management	$15,200.00	What does this entail?	Maintaining areas within and accessing the watershed property.
92	501-4012250-5850 Forestry Management	$3,100.00	Where is the projected forest management revenue?	Once we have a contract in place and bid prices we can place revenue in the appropriate column.
93	501-4012250-6015 Purchased Water	$30,000.00	Is this the Marsh Well? If so can we bring another well online which we own to lessen our dependency of this well?	Yes it is for the Marsh well. We can bring additional wells on but they would not be as cost effective.
94	501-4094000-8105 Rolling Stock	$41,000.00	What's this??	Replacement of PW Water vehicle
95	**502-4012100-1500 PW WW Chargeback to GF**	$587,912.00	What's this Charge Back and why more compared to FY 2016?	Response provided on page 14 of Master Questions List dated 3/31/16
96	502-4012200-3320 Sludge Removal	$36,000.00	How can we lessen the cost on this??	For FY 09/10 sludge budgeted at $106,000.00. After the upgrade the cost of sludge removal has dropped to the current estimate of $36,000.00 per year at a cost savings of $420,000.00 over six years since the upgrade to the solids handling facilities. The current rate of $38.3 per wet ton was competitively bid, renewable for up to five years. Sludge removal will increase as the flow increases to the plant.
97	502-4012200-5110 Electricity	$140,000.00	Why the $15k increase?	The past two years have been under budgeted, current estimate is more in line with expected expense. Plus increase in flows will increase electrical demand.
98	502-4012200-5814 Safety	$6,000.00	What is this?	This is for the BSWF plant's safety program and OSHA compliance, (training, PPE, signage, etc.)
99	502-4012200-5835 Sewer Line Repairs	$32,000.00	Which sewer lines and do we have an idea of an such future repairs??	These are for emergency repairs associated with backups, breaks and cleanout installation.
100	502-4012200-5842 Chemicals	$86,000.00	Where do we get chemicals from can we save by having one source?	Chemicals are competitively bid on an annual basis to help keep the cost down. We also look at rideable contracts with other municipalities.
101	Revenues:			
102	Mary's House of Hope	$300,000.00	Where is the projected Revenue from the potential sale of this asset listed?	This revenue would be added to the General Fund as Unassigned Fund Balance. There is no anticipated use of these funds at this time.
103	100-3110101-0000 Real Estate Tax	$2,853,557.00	How did we arrive at a projected $322k increase in revenue from FY16?	Proposed @ .24; see attached estimate worksheet
104	100-3120202-0000 Right of Way Usage Fee	$26,000.00	Why this decrease in projected revenue from FY2016?	The Right-of-way usage fee is for legacy landline use (Verizon and Comcast and other smaller companies) of the Town's right-of-way. As landline usage drops revenue for this fee drops.
105	100-3121101-0000 Meals Tax	$1,821,349.00	Our projected revenues for FY 2016 was off by positive $173k, over the pass 3 years by how much have we came in better than expected?	The degree of new development/businesses added in recent years makes this category difficult to estimate. Also it can be difficult to judge the timing of a new business (ex: Gateway shop openings). As you can see below, the year-to-year variances are significant. FY15 Budget= 1,416,057; Actual= 1,607,222 FY14 Budget= 1,280,091; Actual= 1,384,193 FY13 Budget= 1,046,063; Actual= 1,229,495
106	100-3130350-0000 Street Fees	$400.00	What's this?? How is this different from Street Revenue below?	Street fees are a local revenue source charged by Public Works for street related work. Street Revenue below is a State funding source (auditors require us to separate revenues by local, state federal) from VDOT based on road lane miles collected in quarterly installments.
107	100-3160704-0000 Maint./PW Chgs. to Others	$8,500.00	What's this??	Public Works charges to others for labor and equipment. Ex: Trade Show $25.K; Luck $4.7K.

QUESTIONS FROM MAYOR FRASER ON 3/30/16

	Item Name or Fund Number	Amount	Comment	Management Response
108	100-3189905-0000 Proceeds from Property	$10,000.00	What is this?	This is surplus property sold to the public. The amount varies based on the availability of surplus property such as vehicles to sell. The Town uses Public Surplus online sales for small property as does Leesburg and Loudoun County. We use live auctions to sell vehicles and major equipment as we experience much higher sales amounts and therefore revenue when compared to our past two decades long history of sales and auctions. The Town is regulated by State law as to the disposition of public property and sales procedures.
109	100-3240301-0000 Street Revenue/ VA	$667,540.00	What is this?	These are the revenues we receive from VDOT to cover the maintenance operations by our staff for the streets approved by VDOT. Each year PW must reconcile dollars received to dollars spent in order to document compliance with State requirements (Weldon Cooper Survey).
110	100-3990000-0000 Transfer from Other Funds	$1,175,823.00	What is this?	Response provided on page 14 of Master Questions List dated 3/31/16
111	110-3110102-0000 Special Tax District Revenue	$416,144.00	With assessed value increasing and new buildings what's the likelihood we will exceed this projected revenue. How did you arrive at this projected revenue?	This revenue line takes into consideration the increased assessments for 2016. The revenue is calculated at overall taxable property times the special tax district rate of $0.035 per $100 assessed value; see attached estimate worksheet
112	110-3150201-0000 P&R Rent on Property	$46,200.00	How much of this is the tabernacle and how much is the Train Station - Will we be renting any other facilities?	New Tabernacle lease @ $2,600/mo or $31,200/yr Fireman's Field proposed $15,000 None for Train Station as that is shown under Train Station Income line.
113	501-3150201-0000 PW Rent on Property	$0.00	What property is this - Is this Aberdeen?	Yes this is the Aberdeen property.
114	501-3810000-0000 Water Availabilities	$1,957,662.00	How much of this is Brookfield availabilities and how much is other? Our projection for current year may be $12,877 short what's the reason for that?	Response provided in Master Questions List dated 3/31/16 Attachment 6. We will not be sure until the end of the fiscal year.
115	501-3830000-0000 Water Fees	$2,168,556.00	How much of this will be due to new development?? How is this calculated? For current FY we may bring in $45k more that projected, has that been typical over the pass 2 years?	We use the existing customer base along with a 3% increase in user and fees to provide a fairly accurate revenue projection based on industry standards. Due to the fact that the timing of users can vary as well as other variables.
116	501-3835000-0000 Pilot Bulk Water Sales	$0.00	Why is this zero revenue - I thought we have an existing customer and there is opportunity to market this?	Staff will place a 10K projected revenue in this spot.
117	501-3960000-0000 Cellular Lease	$190,000.00	What about other facilities for tower leasing such as FireMan's Field or the reservoir or Abeerdeen property	This would require supportive infrastructure as well as a contract in place otherwise we are speculating on uncertain revenue.
118	502-3810000-0000 Sewer Availabilities	$1,641,600.00	How much of the projected $734k increase from current FY is from brookfield? Any idea why our projections for current FY is off by $10.8k?	Response provided in Master Questions list dated 3/31/16 Attachment 6.
119	502-3830000-0000 Sewer Fees	$2,795,554.00	Will any of Brookfield properties be occupied this year and are they accounted for in this calculation showing a projected increase of $69,895? Current FY projected revenue from fees seems to be off by $63,227? What may have attributed to this and has this (negative projection) occurred over the past 3 years?	It will depend on how many homes Brookfield sells and what time of the year they begin as users onto our system. The projected revenues are never fully accurate in any industry due to many variables.

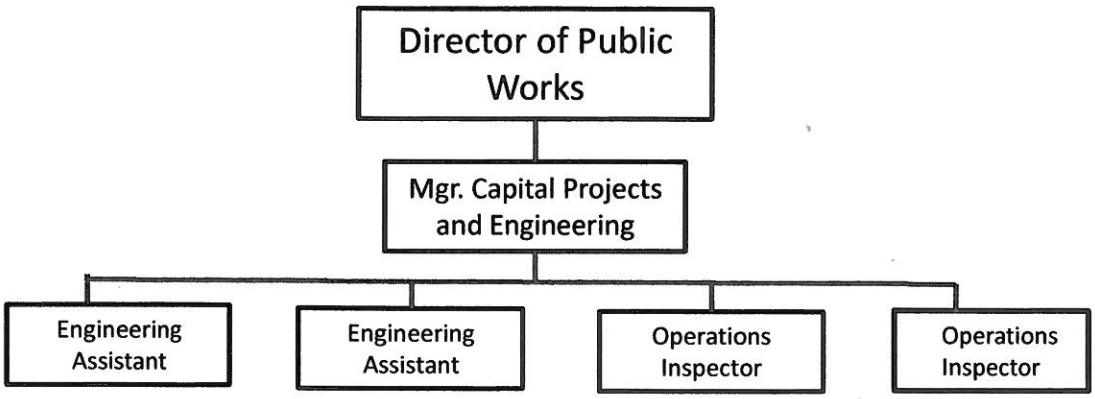
ATTACHMENT 15

IT Hardward Server Assets

Server	Model	Service Tag	SHIP DATE	MFR Warrenty END DATE	Warranty type
DC	POWEREDGE 2900	HRH1YF1	3/25/2011	3/25/2012	Quest int.
EXCHANGE SERVER	POWEREDGE 2900	7XJNYK1	9/22/2009	9/22/2012	Quest int.
PPD SERVER	POWEREDGE 2900	9KFV4D1	6/25/2010	6/25/2012	Quest int.
SQL	POWEREDGE 2900	59L8YF1	3/25/2011	3/25/2012	no warranty
WASTE WATER SERVER	POWEREDGE T300	2CQPYK1	9/22/2009	9/22/2012	Quest int.
WTP SERVER	POWEREDGE T300	3CQPYK1	9/22/2009	9/22/2012	Quest int.
MAINTENANCE SERVER	POWEREDGE 840	HTQBWH1	12/18/2008	12/18/2011	Quest int.
ARCHIVER	POWEREDGE T610	3P8X5P1	12/1/2010	12/1/2013	Quest int.
PHONE SERVER	POWEREDGE R310	HTWJXQ1	10/18/2012	10/18/2014	Quest int.
CAMERA SERVER	POWEREDGE R210 II	HQJYWQ1	10/18/2012	10/18/2014	Quest int.
NAS	POWERVAULT NX300	G3JY6V1	7/31/2012	8/1/2015	Quest int.
PTH-LF	POWEREDGE R520	52M81Y1	4/17/2013	4/18/2016	13 Days on Dell
PPD-DC	POWEREDGE T420	8CNFMW1	11/1/2012	11/2/2015	Quest int.
TOP FINANCE SERVER		1D69YH1	10/24/2012	1/13/2015	Quest int.
PTH-DC	POWEREDGE R720	HLR3FX1	6/27/2013	6/28/2017	449 days on Dell
PTH-FS	POWEREDGE R730	FLHMD42	5/16/2015	5/17/2022	2233 days on Dell

ATTACHMENT 16

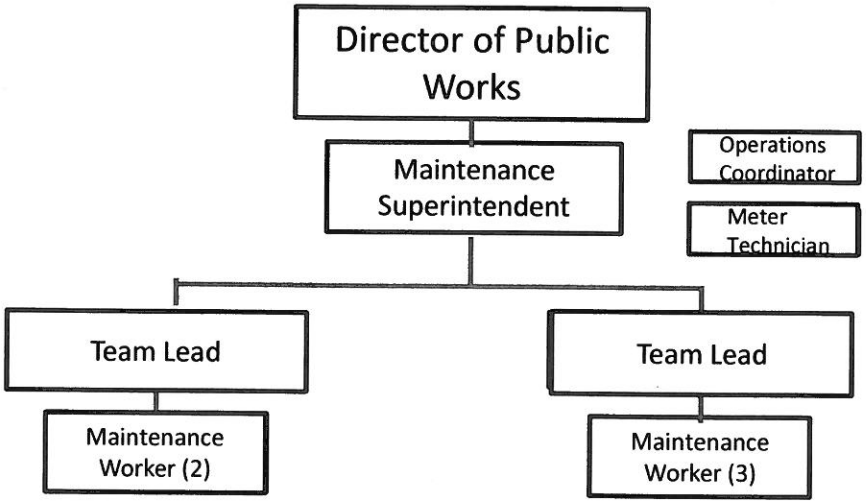
Public Works Capital Projects/Engineering 2015/16



The Capital Projects and Engineering Division is responsible for carrying out the day to day operations related to all Capital Projects in Town limits. They are responsible for managing and updating the Geographic Information System. This requires closely working with the County to update various layers on the GIS map. The engineering division also supports The Water, Waste Water and Maintenance Division by updating their operational permits and helping them research and locate easements to help the Town determine responsibility for maintenance issues.

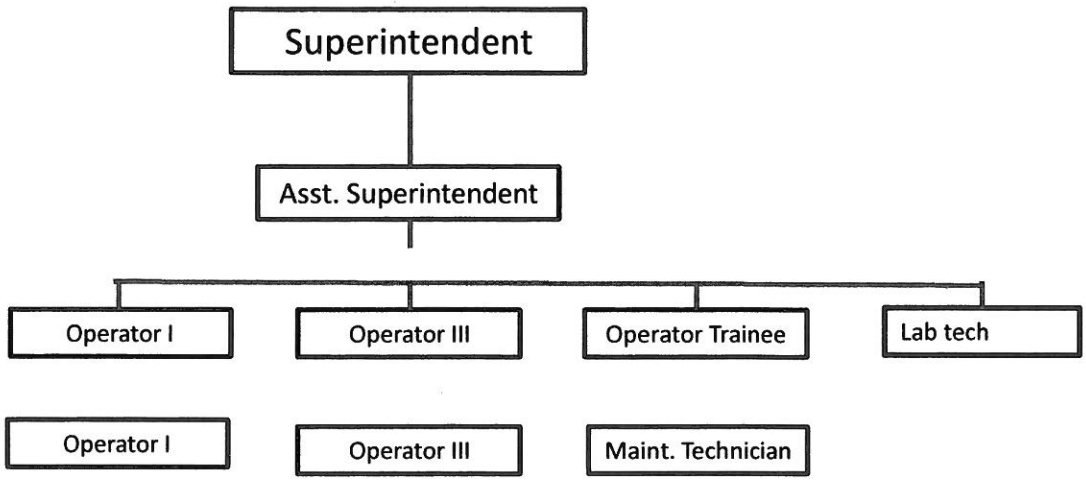
The Operations Inspectors insure adherence to code and that projects are carried out according to the specifications. They assist the Maintenance Division by supporting weather events.

Public Works Maintenance 2015/16



The Maintenance Division is responsible for all operations related to maintaining the Town's infrastructure. Maintenance handles facility maintenance, to include Town Hall, Fireman's Field, Bush Tabernacle, and other Town facilities and properties. These duties include mowing and upkeep of certain Town properties and facilities. Street maintenance includes maintaining and plowing all Town-maintained roads. This division is also responsible for the maintenance of Town vehicles. This division works closely with our residents relative to existing utilities and the maintenance of utility infrastructure to prevent backups and breaks. They are responsible for responding to any Town emergency or citizen need.

Water Treatment Plant – 2015/16



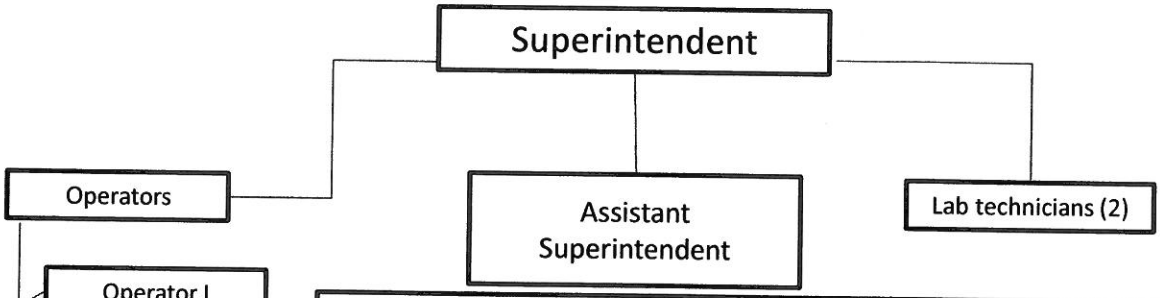
All Operators and Maintenance Technician report to both the Superintendent and the Assistant Superintendent. The Superintendent is responsible for the overall management of the Water Treatment Plant and Regulatory-related areas. The Assistant Superintendent is responsible for all Operations-related areas. The Assistant Superintendent performs Operator duties on weekend shift work. Both hold Operator I licenses.

Operators are responsible for work performed to keep and maintain water quality. Performing lab tests; gathering and documenting data for regulatory information; readings and maintenance of all equipment in well stations and pumps; operations of Solids handling equipment; available to emergency call in and shift work for weekend operations. The higher the certification, the higher the level of responsibility. Currently Bernie Snyder and Terry Andrews have assumed Team Lead roles to the other Operators.

Lab Tech performs operational water quality and environmental quality analysis and reporting.

Maintenance Technician holds a certification as a Level III Water Operator and covers the weekend shifts for plant operations. Responsible for maintenance and daily checks on all Water Treatment equipment plus performs responsibilities of an Operator upon request and while covering weekend shifts.

Waste Water Treatment Plant – 2015/16



- Operator I
- Operator I
- Operator II
- Operator III
- Maint Technician
-
-

All Operators, Lab Technician and Maintenance Technician report to the Superintendent. The Superintendent is responsible for the overall management of the Waste Water Treatment Plant including Regulatory-related and Operations-related areas. The Superintendent holds an Operator I license.

Operators are responsible for keeping and maintaining proper functions of the Plant and discharge stations. Performing lab tests; gathering and documenting data for regulatory information; readings and maintenance of all equipment such as valves, pumps, filters, etc.; operations of Solids handling equipment; available to emergency call in and shift work for weekend operations. The higher the certification, the higher the level of responsibility. This Plant has a weekend operator at a Level I certification which allows the Plant to be fully staffed during the week.

Maintenance Technician holds a certification as a Level III Waste Water Operator. Responsible for maintenance and daily checks on all Waste Water Treatment equipment plus performs responsibilities of an Operator upon request.

Lab Technician is responsible for all the testing, quality assurance and quality control in the lab environment. Tests and monitors data from samples; schedules tests and seeks answers from Operators during testing cycles; documents all updates to tests for testing standards in the SOPS manual. This lab holds a distinction of Accreditation of Consolidated Lab due in most part to this position.

ATTACHMENT 17

Town of Purcellville
Master Vehicle List

DEPT	YEAR	MAKE	MODEL	VIN	FRONT WHEEL/ALL WHEEL/4-WHEEL DRIVE	VEHICLE #	FUEL TYPE	PLATE #	PRIMARY DRIVER	MILEAGE	CONDITION BASED ON MECHANIC ASSESSMENT
WWTP	2005	Ford	SuperDuty (Crane Truck)	1FUWX37P95ED06856	4WD	404	Diesel	132-008L		9,871	Fair
WWTP	2006	Ford	Escape	1GMCU93196KA44680	AWD	402	Gas	127-021I		62,469	Fair
WWTP	2008	Chevy	Colorado	1GCDT19E688195693	4WD	403	Gas	143-077L		19,291	Fair
WWTP	2011	Chevy	Silverado	1GCRKPE02BZ300401	4WD	405	Gas	143-096L		18,609	Good
WWTP	2013	Ford	F-150	1FTFX1EF9DKF61526	4WD	406	Gas	174-529L	Scott House	16,415	Good
WTP	2008	Ford	F-350	1FTWX31R78ED23187	4WD	310	Diesel	143-075L		92,159	Fair
WTP	2011	Ford	Escape-Hybrid	1FMCU5K38BKA34034	AWD	313	Gas	143-092L	Brian Lutton	103,555	Fair
WTP	2013	Ford	F250	1FTBF2B61DEA13546	4WD	314	Gas	130-950L		46,190	Good
WTP	2013	Ford	F350	1FDRF3B63DEA13547	4WD	315	Gas	174-502L		40,738	Good
POLICE	2006	Ford	Crown Victoria	2FAHP71W46X162188		226	Gas	135-688L	Open Position	125,294	Fair
POLICE	2007	Ford	Crown Victoria	2FAHP71W37X122976		207	Gas	141-406L	Hood/Barnhart	91,039	Fair
POLICE	2005	Ford	Crown Victoria	2FAHP71W95X134949		205	Gas	127-093L	Support Team	91,934	Fair
POLICE	2008	Ford	Explorer	1FMEU73E18UB09173	AWD	218	Gas	143-088L	Guy Dinkins/Mike Owens	99,568	Fair
POLICE	2011	Chevy	Tahoe	1GNSK2E0XBR362687		220	Gas	116-563L	Rob Wagner/John Kelly	53,125	Good
POLICE	2012	Chevy	Impala	2G1WD5E30C1159116		221	Gas	107-595L	Lt Schroeck	50,035	Good
POLICE	2008	Ford	Crown Victoria	2FAHP71V68X132166		208	Gas	143-060L	Spare	73,144	Good
POLICE	2013	Dodge	Charger	2C3CDXAG9DH544489		223	Gas	134-175L	McDaniel/Vasconi	44,786	Good
POLICE	2013	Dodge	Charger	2C3CDXAG8DH734462		224	Gas	174-528L	Fraley/McGann	53,697	Good
POLICE	2012	Chevy	Tahoe	1GNSK2E08CR281821		222	Gas	JNH-1749	Chief	58,233	Good
POLICE	2014	Dodge	Charger	2C3CDXAG3EH362370		225	Gas	174-539L	ElassalKakol	11,473	Excellent
POLICE	2016	Ford	Explorer	1FM5K8AR2GGB54766	AWD	227	Gas	174-550L	Unassigned	184	Excellent
ADMIN.	2011	Ford	Escape-Hybrid	1FMCU5K38BKA99353	AWD	110	Gas	143-094L	Administration		
PLANNING	2012	Ford	Escape-Hybrid	1FMCU5K35CKA15216	AWD	107	Gas	143-099L	Planning	47,765	
PW ADMIN.	2009	Dodge	Durango	1D8HB38P59F708921	4WD	108	Gas	143-089L	Alex Vanegas	134,700	Good
PW ENG.	2001	Ford	Escape	1FMCU04131KC54467	AWD	104	Gas	106-946L	Dale Lehnig	103,298	Poor
PW ENG.	2011	Ford	F-250	1FT7X2B6XBEB58164	4WD	109	Gas	143-095L	Josh Goff	19,065	Good
PW ENG.	2006	Ford	Escape	1FMCU93106KA44678	AWD	106	Gas	127-023L	Scott Miller	54,994	Fair
PW ENG.	2003	Chevy	2500HD	1GHCK24U73E368186	4WD	105	Gas	119-404L	Derek Copeland	48,667	Poor
PW MAINT.	2012	Ford	F-250	1FT7X2B60CEA07951	4WD	513	Gas		Jason Didawick	122,608	Good
PW MAINT.	2007	Dodge	Sprinter	WD0PE846975192441	2WD	514	Gas	143-058L	Sewer Camera Van	10,500	Good
PW MAINT.	2011	Ford	F-350	1FTRF3BT2BED11918	4WD	512	Diesel		Bob Dryden	22,233	Good

Town of Purcellville
Master Vehicle List

DEPT	YEAR	MAKE	MODEL	VIN	FRONT WHEEL/ALL WHEEL/4-WHEEL DRIVE	VEHICLE #	FUEL TYPE	PLATE #	PRIMARY DRIVER	MILEAGE	CONDITION BASED ON MECHANIC ASSESSMENT
PW MAINT.	2015	Vactor	Cleaner	1FVHG3CY9GHGT8641	2WD	506	Diesel	144736L	Vac Truck	2,593	Good
PW MAINT.	2006	Ford	F-350	1FDWF37P86EB50152	4WD	515	Diesel	133-823L	Utility Truck	12,520	Fair
PW MAINT.	2003	GMC	Sierra	1GTHK24U53Z245253	4WD	508	Gas	116-590L	Mike McCracken	41,613	Poor
PW MAINT.	2009	Ford	F-350	1FDSF35R09EA01967	4WD	511	Diesel	143-090L	John Anderson	37,799	Good
PW MAINT.	2008	International	7000	1HTWAAAN38J696286	2WD	509	Diesel	143-074L	Dump Truck	18,578	Good
PW MAINT.	2006	Ford	F-350	1FTWF31P76EA68846	4WD	516	Diesel	127-024L	Mitch Krippner	95,388	Fair
PW MAINT.	2008	International	7000	1HTWAAAN18J696285	2WD	510	Diesel	413-073L	Dump Truck	15,374	Good
PW MAINT.	2005	Ford	F-350	1FTWF31P56EA68845	4WD	517	Diesel	127-025L	Ron Lickey	126,702	Fair
PW MAINT.	2003	Ford	F-550	1FDAF57F03EA59756	4WD	507			Stake Body	15,253	Good
PW MAINT.	2014	Ford	F450	1FDUF4HT7EEA92879	4WD	518	Diesel	144-709L	Sean Grey	10,155	Good
POLICE	2006	Ford	Crown Victoria	2FAHP71W66X162189		216	Gas	135-687L	Out of Service/Auction	106,000	Poor
~~PW MAINT.~~	~~1990~~	~~International~~	~~Old Dump~~	~~1HTSDZZP8LH201056~~	~~2WD~~	~~501~~	~~Diesel~~		~~Old Dump~~		
~~POLICE~~	~~2002~~	~~Chevy~~	~~Trailblazer~~	~~1GNDT13S522524125~~		~~222~~	~~Gas~~	~~JNH-1749~~			
~~POLICE~~	~~2002~~	~~Ford~~	~~Explorer~~	~~1FMZU72K02UC98897~~		~~212~~	~~Gas~~	~~116-563L~~			
~~POLICE~~	~~2006~~	~~Ford~~	~~Crown Victoria~~	~~2FAHP71WX6X133634~~		~~206~~	~~Gas~~	~~134-175L~~			
~~POLICE~~	~~2002~~	~~Ford~~	~~Crown Victoria~~	~~2FAFP71W62X108134~~		~~202~~	~~Gas~~	~~107-595L~~	~~Citizen Support Team~~		
4/12/2016											

ATTACHMENT 18

PRELIMINARY- SUBJECT TO CHANGE BY COUNTY

TOWN OF PURCELLVILLE
TAX YEAR 2016
Real Estate Assessment Data from Loudoun County
2/1/2016 data fr Jim White; advertise 2/19 & 2/26/16

	2016	2015	$ Change	% Change
Assessment of Existing Property	1,162,028,613	0	Change to existing prop>	-0.98%
			3203-total parcels Increase of 284 parcels 3129-taxable parcels 74-exempt parcels	
New Residential Construction/Growth	20,496,634	0		
New Commercial Construction/Growth	36,024,773	0	Change due to	
Total New Construction/Growth	56,521,407	0	new construct.>	4.82%
Total Assessment	1,218,550,020	1,173,527,230	45,022,790	**3.84%**
Less Land Use Deferrals	576,380	3,642,850	(3,066,470)	
Less Elderly Tax Relief	28,991,590	26,673,640	2,317,950	
Total Assessment Base	1,188,982,050	1,143,210,740	45,771,310	
RE Tax (tax rate .22)	2,615,761	2,515,064	100,697	* Rev Chg
FF Svc Tax (tax rate .035)	416,144	400,124	16,020	* Rev Chg
Total Tax (tax rate .255)	3,031,904	2,915,187	116,717	
RE Revenue Change for Tax Rate Change of 1 cent			118,898	
Average Residential Assessment			326,920	

RE Revenue produced at different tax rates:

Tax Amount (rate=.25/100)	2,972,455	
Tax Amount (rate=.24/100)	2,853,557	
Tax Amount (rate=.23/100)	2,734,659	
Tax Amount (rate=.222/100)	2,639,540	**<Equalized Rate**
Tax Amount (rate=.22/100)	2,615,761	**< 2015 Rate**
Tax Amount (rate=.21/100)	2,496,862	

Equalized Assessment (adj. for new construction and changes) 1,230,048,637

Equalized RE Tax Amt (2015 rate=.22) 2,706,107 **special FF levy not included per code**

2016 Equalized RE Tax Rate (per $100) 0.222

Breakdown of Residential vs. Other (MF 5+, Commercial, Ag):

Other Assessments	280,289,260	23%
Residential Assessments	938,260,760	77%
Grand Total	1,218,550,020	

* Breakdown of RE Revenue Change:

Assessment change to existing homes	(25,297)
New Construction/Growth	124,347
Other (land use/relief)	1,647
Total RE Revenue Change	100,697

ATTACHMENT 19

Capital Asset Replacement Fund
Policy began in FY12

Policy dedicates between 10 - 25% of incremental additional revenues generated by the annual growth in the Town's tax base.

Tax Yr		(new constr) Growth in Tax Base	Tax Rate	Revenue	Budget	Amount	Budget CAFR Percentage	CAFR Range 10%	25%
2011	GF	9,898,000	0.23	22,765	FY12	2,500	11%	2,277	5,691
2011	Train Station				FY12	2,500			
2011	Tabernacle				FY12	2,500			
2011	Fireman's Field				FY12	2,500			
2012	GF	5,918,900	0.225	13,318	FY13	2,500	19%	1,332	3,329
2013	GF	22,632,088	0.225	50,922	FY14	2,500	5%	5,092	12,731
2013	Train Station				FY14	2,500			
2013	Tabernacle				FY14	2,500			
2013	Fireman's Field				FY14	2,500			
2014	GF	7,248,516	0.21	15,222	FY15	5,000	33%	1,522	3,805
2015	GF	32,745,006	0.22	72,039	FY 16	7,000	10%	7,204	18,010
2016	GF	56,521,407	0.22	124,347	FY 17	12,000	10%	12,435	31,087

ATTACHMENT 20

Town Manager
Robert W. Lohr, Jr.

Assistant Town Manager
Daniel C. Davis

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(540) 338-7421
www.purcellvilleva.gov

Town of Purcellville Virginia

Town Attorney
Sally G. Hankins

Chief of Police
Cynthia A. McAlister

Department Directors
Elizabeth Krens, Finance
Alex Vanegas, Public Works
Patrick Sullivan, Community Development
Hooper McCann, Administration
Shannon Bohince, Information Technology

MEMORANDUM - BUDGET WORK SESSION

TO: MAYOR AND COUNCIL MEMBERS
FROM: DANNY DAVIS, ASSISTANT TOWN MANAGER
SUBJECT: **POTENTIAL SAVINGS IN HEALTH INSURANCE COSTS**
DATE: MARCH 31, 2016

In an effort to look at additional cost savings in the budget, staff has reviewed the options at our disposal under "The Local Choice Health Benefits Program," which is the Town's insurance program through the Commonwealth of Virginia. This program has over 60,000 members from 335 jurisdictions and entities, which gives is great volume and cost savings throughout the program.

The Town has currently elected the "Key Advantage Expanded" program, which is the most generous and benefit-rich option through "The Local Choice." There are other options that staff is reviewing. In particular, the next option is the Key Advantage 250. This option reduces premium costs to both the Town and employees by about 10% and has minimal impact to consumers. A few of the differences in the plans are shown below:

Benefit	**Key Advantage Expanded**	**Key Advantage 250**
Doctor Co-Pay	$15	$20
Specialist Co-Pay	$25	$35
ER Visit Co-Pay	$100	$150
Deductible (not applicable to co-pays)	$100 (individual) / $200 (family)	$250 (individual) / $500 (family)
Out of Pocket Maximum	$2,000 (individual) /	$3,000 (individual) /

	$4,000 (family)	$6,000 (family)

Other benefits, such as prescription and dental, are the same between the two plans. Vision benefits are virtually the same, with only a slight increase in the co-pay for a routine eye exam.

Benefits of changing to the Key Advantage 250 include a **savings** to the Town in FY 17 of approximately **$92,000** based on the current health elections of staff. This is nearly 1 cent on the tax rate. Employees would see a similar savings, such that the 9.6% increase in premium rates expected for this next year would be eliminated and most employees would see only a slight increase (or a very minimal decrease) in health premium amounts for the next year.

Rates for the two plans for the Town of Purcellville are shown below:

Plan	**Key Advantage Expanded (monthly rate)**	**Key Advantage 250 (monthly rate)**	**Savings by changing plans**
Individual:	Town Share: $590.75 Employee Share: $104.25 TOTAL: $695	Town Share: $538.05 Employee Share: $94.95 TOTAL: $633	Town Share: $52.70 Employee Share: $9.30 TOTAL: $62
Dual:	Town Share: $1093.10 Employee Share: $192.90 TOTAL: $1286	Town Share: $995.35 Employee Share: $175.65 TOTAL: $1171	Town Share: $97.75 Employee Share: $17.25 TOTAL: $115
Family:	Town Share: $1595.45 Employee Share: $281.55 TOTAL: $1877	Town Share: $1452.65 Employee Share: $256.35 TOTAL: $1709	Town Share: $142.80 Employee Share: $25.20 TOTAL: $168

Staff is asking for Council to give guidance on whether Council would like staff to do a final review of this option and bring it back for further consideration. Accepting this option may allow Council to keep some of the requested enhancements in the budget without an associated tax rate increase.

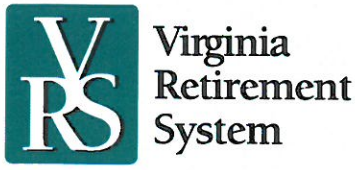
ATTACHMENT 21

Town of Purcellville
Health Insurance Rate History

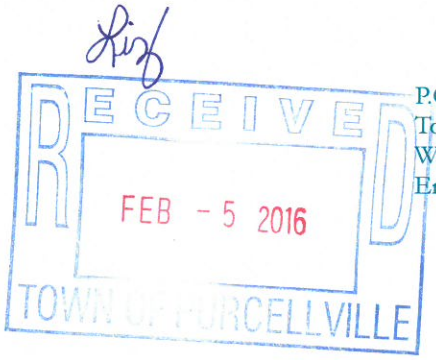
	Rates					
	Single	Dual	Family	Retiree/ Medicare	% Chg	ER/EE Split
FY17	695	1286	1877	201	9.6%	85/15
FY16	634	1173	1712	190	2.3%	85/15
FY15	620	1147	1674	190	0.0%	85/15
FY14	620	1147	1674	190	13.8%	85/15
FY13	545	1008	1472	190	-1.4%	85/15
FY12	553	1023	1493	190	0.0%	85/15
FY11	553	1023	1493	190	10.6%	85/15
FY10	500	925	1350	181	9.2%	90/10
FY09	458	847	1237	176	5.3%	95/5
FY08	435	805	1175	160	-3.3%	95/5
FY07	450	833	1215	160	14.8%	95/5
FY06	392	725	1058	350	12.0%	95/5
FY05	350	648	945	300	5.7%	S=100; D&F=95/5
FY04	331	612	894	300	32.9%	S=100; D&F=95/5
FY03	249	516	753		4.2%	100/0
FY02	239	442	645		13.3%	100/0
FY01	211	390	570		29.4%	100/0
FY00	163	326	456		-11.9%	100/0
FY99	185	370	518			100/0

Note: Plan benefit changes during renewal periods are not shown on this rate history.

ATTACHMENT 22



Virginia Retirement System



P.O. Box 2500, Richmond, VA 23218-2500
Toll-free: 1-888-VARETIR (827-3847)
Website: www.varetire.org
Email: vrs@varetire.org

MEMORANDUM

To: Administrative Heads and Finance Directors of Political Subdivisions
Employer Code **5-5348**
Town of Purcellville

From: Patricia S. Bishop, Director

Patricia S. Bishop

Date: January 21, 2016

Subject: Contribution Rates for Political Subdivisions for FY 2017 and FY 2018

The Virginia Retirement System (VRS) Board of Trustees adopted new contribution rates for FY 2017 and FY 2018 at its meeting last fall. The Group Life Insurance rate may be modified by the General Assembly during the current legislative session. If changes are made to the rates, we will provide you with the updated information.

The following contribution rates are effective for the two fiscal years beginning July 1, 2016:

Retirement – The employer contribution rate will be ***7.85%*** for FY 2017 and FY 2018. This rate does not include the 5.00% member contribution that you may be paying for your employees.

Group Life Insurance – The total contribution rate for employers participating in this program will be ***1.31%***. This rate is composed of a 0.79% employee share and a 0.52% employer share. This action does not affect the Optional Life Insurance premiums.

Retiree Health Insurance Credit – The contribution rate for this program will be ***N/A***.

Virginia Local Disability Program – The contribution rate for political subdivision employers participating in this program will be ***0.60%***.

If you have any questions concerning your rates, please contact Barry Faison, Chief Financial Officer at (804) 344-3128 or by email at bfaison@varetire.org.

ATTACHMENT 23

Town of Purcellville
Virginia Retirement System and Group Life Rate History

	Rates- Plan 1 & Plan 2 employees								
	VRS Employer	VRS Employee	VRS Total Rate	VRS % Chg	Leo's Changes	Life	Life % Chg	Hybrid Disability	Plan Types
FY18	7.85	5.00	12.85	0.0%		1.31	0.0%	0.60	Plan 1&2; hybrid use diff rate
FY17	7.85	5.00	12.85	-14.1%		1.31	10.1%	0.60	Plan 1&2; hybrid use diff rate
FY16	9.96	5.00	14.96	0.0%		1.19	0.0%	0.59	Plan 1&2; hybrid use diff rate
FY15	9.96	5.00	14.96	-14.4%		1.19	0.0%	0.59	Plan 1&2; hybrid use diff rate
FY14	12.47	5.00	17.47	0.0%		1.19	0.0%		no hybrid ee's in FY14
FY13	12.47	5.00	17.47	14.4%		1.19	325.0%		
FY12	10.27	5.00	15.27	2.9%		0.28	0.0%		
FY11	9.84	5.00	14.84	15.6%	Yes	0.28	-64.6%		
FY10	7.84	5.00	12.84	0.0%		0.79	-3.7%		(0 rate last 3 months of fy10)
FY09	7.84	5.00	12.84	-0.1%		0.82	-18.0%		
FY08	7.85	5.00	12.85	0.0%		1.00	-11.5%		
FY07	7.85	5.00	12.85	-15.7%		1.13			
FY06	10.25	5.00	15.25	0.0%		0.00			
FY05	10.25	5.00	15.25	32.6%	Yes	0.00			
FY04	6.50	5.00	11.50			0.00			

ATTACHMENT 24

TALKING POINTS FOR BULK WATER
July 14, 2016

- All water sold by the Town of Purcellville to customers through our distribution system or bulk water is water treated to the full regulations for potable as outlined by VDOH. The Town does not currently sell grey water or untreated water through any of our sources or to any vendors.

- The cost to treat our water is the same for our potable and bulk water sales. There are no shortcuts or changes in our process that reduces this cost for the Town.

- Since 1993, the Town has had two bulk water sales programs. Both of the programs were implemented and suspended prior to our Town launching the current trial program.

    - Bulk Meter – Over the periods where we allowed for bulk meters, the Town would issue a bulk water meter to a company after they submitted a deposit. The company would then keep the meter in their possession and bring it in monthly to be read and billed. The company could only connect to designated hydrants in the Town. The program was suspended on two different occasions because of failure of several companies to follow procedures related to the use of specific hydrants. We had several examples of theft and dirty water/damages from companies using hydrants in the wrong areas.

    - Additional Water Only Meter for Residential/Commercial Accounts – As a result of new developments and the need by residents to establish yards and landscaping, the Town responded early 2000 with approval for residents to install a second meter that was billed water only. The Town did not charge an additional tap or connection fee but the account holder paid 100% of the cost to install the meter and then paid monthly user charges at a water only basis since it could not be connected to the potable system. Most people connected these meters to yard hydrants strategically located throughout their property and used it to water yards, landscaping, gardens, wash cars and other non-potable activities.

- Our current bulk water program is based on outside vendors purchasing bulk water from a secured and maintained site at the Maintenance/Wastewater Treatment Plant location. Customers must prepay and the process is monitored by a staff member.

- Water distributed at the site is considered no longer potable once it is dispersed through the fire hydrant, open stored bulk meter and fire hose and then placed in a non-sterilized/certified tank for hauling.

- Until recently, we have never had any business or resident request potable water through our bulk water sales. The uses in the past have been limited to irrigation, pools, wash-downs, boring or other construction use. Based on the way we dispensed the water through a hydrant, it would not meet VDOH rules for potable water.

- Under our current program, the Town charges a $50.00 daily administrative fee. In addition, the customer is billed $11.00/1,000 gallons.

- For the purposes of review, the staff contacted our neighboring jurisdictions to see how they handled their bulk water charges. It is important to realize that not everyone has the same operational costs and because of economy of scale, it costs more for a smaller jurisdiction to produce a thousand gallons than it does for a larger jurisdiction and this is indicative of the rates that you will see between the eastern and western operations. Regardless, it does give you an understanding of how some communities go about the bulk water sale process. A copy of this summary of charges is included under *Attachment I.*

- The Town uses a Bulk Water Purchase Agreement and have recently updated it to address the potable water issue. A copy of this is included under *Attachment II.*

- Over the last several months, we have been ranging between 90,000 and 200,000 gallons per week in bulk water sales. Most of these sales have been to construction companies working on the fiber installation and boring that is occurring along Route 7. When this construction project ends, we suspect that bulk water sales will go back to a lower level with most of it focused on landscaping, pools and other similar types of uses.

- Questions have been asked as to whether we are filtering more water than we need on a daily basis. The Town's goal on a daily basis is to have our two storage tanks as full as possible before we leave each day. While never overflowing our tanks and system, which is a waste of production, it is important we maintain this storage buffer for the following reasons:

    - Provide needed fire protection in an emergency situation.

    - Provide storage buffer in case of operational outages due to mechanical breakdowns, power failures or to provide adequate pressurization of our system since it is done through gravity. Currently, the Town has a storage tank capacity of 1.2 million gallons along with storage of all the water lines that are in our system. The key to good operations is making sure that you have adequate storage for normal and emergency operations while making sure that you also have turnover in the tank so that water is not left to stagnate for extended periods of time. As a result, we do not overflow the tanks nor do we allow them to drop substantially without running our systems around the clock.

- We have never had an in-town business formally request bulk water to be delivered to their operation or a transport operation other than an existing water line. It is important to understand that our price per thousand gallons for bulk water is not the only cost attributed to purchasing bulk water. When you add in the $50.00 per day service fee along with the cost for the private staff and equipment to transfer this water, the cost can quickly jumps past what the normal cost of water and sewer services delivered to a location on demand through water lines. Given the fact that it cannot be potable, it would eliminate the majority of uses with the exception of a potential car wash and other operations. Many car washes have found that it is far more effective to use a recycling program where they capture the water, filter it and reuse it rather than continuing to purchase water and sewer through a metered account or even exploring the options of bulk water as suggested.

- While the staff has worked with our consultant to look at setting a rate, the final decision is clearly that of Town Council. The Town Council has the ultimate authority to determine whether we even want to do bulk water sales and how much to charge. Clearly, any community that handles a bulk water program wants to make sure that we do not sell the water at less than what it costs us to produce it and most importantly that we do not charge so much for it that we eliminate business or drive them to other competing producers. Clearly, it is the goal of the Town to be in between these two parameters while still maximizing the revenue that we can obtain if Council wants to maintain a bulk water program.

- Cost to produce water based on FY 2015 CAFR

    - Cost including all operational cost with no debt service: $10.53 per 1,000 gallons.

    - Cost including operational cost, debt service and capital improvements: $15.18 per 1,000 gallons.

ATTACHMENT I

Bulk Water Charges - Local Jurisdications

Jurisdiction	Per 1,000 gal charge	Other Fees	Rate Notes
Purcellville	$11.00	$50.00 daily fee	
Leesburg	$7.87	$50/quarter service charge drawn by Town issued hydrant meter	Out of Town Non-Residential Rate
Leesburg	$7.87	$10/day service charge drawn at Water Treatment Plant	Out of Town Non-Residential Rate
Loudoun Water	$6.41	One time permit charge of $30 3/4" hydrant meter $400 deposit 3" meter $1,720 deposit	
Berryville	$25.40	No service charge	
Hamilton	DO NOT SELL		
Round Hill	$0.00	No charge for non-potable water No daily limit	
Middleburg	$23.69	No service charge	
Lovettsville	$15.00	$75.00 application fee	They just started their program and at this time are taking each request on case by case basis - the fee can be negotiable depending upon volume of water requested/needed

July 12, 2016

ATTACHMENT II

Bulk Water Purchase Agreement

1005 S 20th St.
Purcellville, VA 20132
540-422-6185

Customer Name: _____

Address: _____

Contact Number: _____

Email Address: _____

Virginia Business License No: _____

Federal Tax ID No: _____

CUSTOMER COMPLIANCE

- The Bulk Water Purchase Agreement and W-9 form must be completed and submitted to Public Works prior to picking up water.
- Customers are billed in advance and must pay for bulk water with cash or check only at the Finance Department at Town Hall (221 S Nursery Ave.) before filling up their trucks.
- Fill cards are issued to each customer and must be completed at each fill with customer information and beginning and end meter read. Fill cards are dropped in the drop box located at the hydrant.
- Damage to the hydrant or meter must be reported immediately to Public Works at 540-338-5024
- Fill times are Monday-Friday 7am-4pm.
- All bulk water sales from the Town of Purcellville's hydrant are intended for non-potable uses. The Town does not approve or authorize the use of this product for any potable uses.
- **The Town of Purcellville reserves the right to discontinue allowance of Bulk Water Purchasing at any time. Rates may change at any time.**

CHARGES AND PENALTIES:

- Bulk water purchasers are charged at fixed rate of $11.00 per 1,000 gallons.
- A $50 administration fee is charged per day.
- A **penalty** of **$1000.00** will be imposed for each instance of unauthorized or improper use of a fire hydrant based upon above stated regulations. The customer is responsible for any damage resulting from this instance.
- If the hydrant meter is damaged beyond repair the customer may be billed for the meter or replacement parts.
- A **penalty** of **$250.00** will be imposed for damages caused to the hydrant meter register or if it is missing.
- **Unlawful tampering with waterworks results in a Class 6 Felony, which carries a maximum penalty of five years in jail. Maliciously tampering with hydrants results in a Class 3 Felony, which carries a maximum penalty of 20 years in prison and a fine up to $100,000.**

Area of Authorized Use:

The bulk water fill station is located at the hydrant in front of the Town of Purcellville Maintenance facility at 1005 S 20th St. Purcellville, VA 20132

OPERATING INSTRUCTIONS:

1. The meter is stored in the lock box chained to the perimeter fence near the hydrant.
2. Affix the meter to the hydrant.
3. Turn on the hydrant; the valve must be in the full open position when in operation.
4. Operate the gate valve on the meter only when turning water on and off.
5. All valves must be opened and closed slowly.
6. The meter may be left on the hydrant throughout the day.
7. If picking up water on or around 4pm, please disconnect and return the meter to the lock box.

Water Trucks:

- All water trucks and tanks to be used at the bulk water hydrant meter must be inspected by Town of Purcellville personnel before receiving access to the fill station. We are looking for either a 6" air gap or an RPZ backflow preventer. Only trucks with a **fixed pipe** will be authorized for use with a hydrant meter.
- A valid inspection sticker **MUST** be affixed and in a visible location on the tank or truck at **ALL** times.
- Please provide the truck(s) details below that will be used when picking up bulk water:

(1) Truck No.	License Plate	Air Gap or RPZ?	(2) Truck No.	License Plate	Air Gap or RPZ?
Inspection Date:	Renewal Date:		Inspection Date:	Renewal Date:	

Please PRINT Name _____

Signature _____ Date: _____

ATTACHMENT 25

WATER / SEWER RATE HISTORY PER 1,000 GALLONS

effective bill date>	OCT 2015	OCT 2014^	eff 3/16/13 JUN 2013^	2012=no change OCT 2011^	OCT 2010^	OCT 2009^	OCT 2008^	OCT 2007^	OCT 2006^	OCT 2005	2004-2005	1997-2003	1996-1997	1995-1996
fiscal year>	FY16	FY15	FY13-14	FY12-13	FY11	FY10	FY09	FY08	FY07	FY06	FY05	FY98-04	FY97	FY96
WATER	<5k- 6.16	<5k- 6.16	<5k- 6.35	<5k- 5.93	<5k- 5.65	<5k- 4.52	<6k- 4.35	<6k- 3.78	<6k- 3.44	$4.87	$4.35	$4.15	$4.15	$4.03
	5-10k- 8.21	5-10k- 8.21	5-10k- 8.46	5-10k- 7.91	5-10k- 7.53	5-10k- 6.03	6-12k- 5.79	6-12k- 5.04	6-12k- 4.58	n/a	n/a	n/a	n/a	n/a
	10-15k- 9.90	10-15k- 9.90	10-15k- 10.21	10-15k- 9.54	10-15k- 9.41	10-15k- 7.53	12-18k- 7.24	12-18k- 6.30	12-18k- 5.73	n/a	n/a	n/a	n/a	n/a
	>15k-20k- 11.79	>15k-20k- 11.79	>15k-20k- 12.15	>15k-20k- 11.35	>15k-20k- 11.30	>15k- 9.04	>18k- 8.69	>18k- 7.56	>18k- 6.87	n/a	n/a	n/a	n/a	n/a
	>20k-50k- 14.71	>20k-50k- 14.71	>20k-50k- 15.17	>20k-50k- 14.18	>20k-100k- 13.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	>50k-100k- 16.79	>50k-100k- 16.79	>50k-100k- 17.31	>50k-100k- 16.18	>100k-200k- 14.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	>100k-150k- 18.87	>100k-150k- 18.87	>100k-150k- 19.45	>100k-150k- 18.18	>200k-500k- 15.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	>150k-200k- 20.94	>150k-200k- 20.94	>150k-200k- 21.59	>150k-200k- 20.18	>500k- 23.18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	>200k-250k- 23.85	>200k-250k- 23.85	>200k-250k- 24.59	>200k-250k- 22.89										
	>250k-300k- 25.93	>250k-300k- 25.93	>250k-300k- 26.73	>250k-300k- 24.98										
	>300-350k- 28.00	>300-350k- 28.00	>300-350k- 28.87	>300-350k- 26.98										
	>350-400k- 30.08	>350-400k- 30.08	>350-400k- 31.01	>350-400k- 28.98										
	>400-450k- 32.16	>400-450k- 32.16	>400-450k- 33.15	>400-450k- 30.98										
	>450-500k- 37.35	>450-500k- 37.35	>450-500k- 38.50	>450-500k- 35.98										
	>500-550k- 42.53	>500-550k- 42.53	>500-550k- 43.85	>500-550k- 40.98										
	>550-600k- 47.72	>550-600k- 47.72	>550-600k- 49.20	>550-600k- 45.98										
	>600k- 52.91	>600k- 52.91	>600k- 54.55	>600k- 50.98										
SEWER	$14.47	$13.78	$14.21	$11.84	$10.12	$8.72	$8.38	$7.61	$7.25	$7.09	$6.33	$6.03	$4.64	$3.57
Service Fee Min	$30.00	$30.00	$30.00	$30.00	$30.00	$20.00	$6.00	$6.00	$6.00	$1.75	$1.75	n/a	n/a	n/a
Usage Fee Min	$20.63	$19.94	$20.56	$17.77	$15.77	$13.24	$12.73	$11.39	$10.69	$11.96	$10.68	$10.18	$8.79	$7.60
Total Min Bill	$50.63	$49.94	$50.56	$47.77	$45.77	$33.24	$18.73	$17.39	$16.69	$13.71	$12.43	n/a	n/a	n/a

Note: Utility rate changes are effective the beginning of the fiscal year except in FY13 when change was made in March 13 and these changes carried over to FY14.

^ Tiered Water ~BI-MONTHLY BILLING ~LATE FEE: 10% ~DISCONNECT FEE: $50 ~SERVICE FEE: $30.00
~DEPOSIT REQ ON ALL [$300 Residential/Commercial; $750 Restaurant; $3000 Apt. Blgs; $7050 Laundry Mats]

ATTACHMENT 26

REVENUE TRENDS
WATER AND WASTEWATER FUND: REVENUES (Continued)

History of Utility Rates
(Rates Per 1,000 gallons)

	FY 08	FY 09		FY 10	FY 11		FY 12-13*	FY13-14*	FY 15	FY 16	FY17
Water Tiers			**Water Tiers**			**Water Tiers**					
1K -6K	$3.78	$4.35	**1K -5K**	$4.52	$5.65	**1K -5K**	$5.93	$6.35	$6.16	$6.16	Proposed 3% rate increase
6K - 12K	$5.04	$5.79	**5K - 10K**	$6.03	$7.53	**5K - 10K**	$7.91	$8.46	$8.21	$8.21	
12K - 18K	$6.30	$7.24	**10K - 15K**	$7.53	$9.41	**10K - 15K**	$9.54	$10.21	$9.90	$9.90	
18K+	$7.56	$8.69	**15K - 20K**	$9.04	$11.30	**15K - 20K**	$11.35	$12.15	$11.79	$11.79	
			20K - 100K	n/a	$13.18	**20K - 50K**	$14.18	$15.17	$14.71	$14.71	
			100K - 200K	n/a	$14.18	**50K - 100K**	$16.18	$17.31	$16.79	$16.79	
			200K - 500K	n/a	$15.18	**100K - 150K**	$18.18	$19.45	$18.87	$18.87	
			500K+	n/a	$23.18	**150K - 200K**	$20.18	$21.59	$20.94	$20.94	
						200K - 250K	$22.89	$24.59	$23.85	$23.85	
						250K - 300K	$24.98	$26.73	$25.93	$25.93	
						300K - 350K	$26.98	$28.87	$28.00	$28.00	
						350K - 4000K	$28.98	$31.01	$30.08	$30.08	
						400K - 450K	$30.98	$33.15	$32.16	$32.16	
						450K - 500K	$35.98	$38.50	$37.35	$37.35	
						500K - 550K	$40.98	$43.85	$42.53	$42.53	
						550K - 600K	$45.98	$49.20	$47.72	$47.72	
						600K+	$50.98	$54.55	$52.91	$52.91	
Wastewater	$7.61	$8.38		$8.72	$10.12		$11.84	$14.21	$13.78	$14.47	Proposed 5% rate increase
Acct Svc Fee	$6.00	$6.00		$20.00	$30.00		$30.00	$30.00	$30.00	$30.00	

**** Note: Utility rate changes are effective in July or the beginning of the fiscal year except In FY13 as no change was made until March 2013. Therefore, the FY13 change only impacted 1 out of 6 billing periods in FY13 and carried over into FY14.***

ATTACHMENT 27

Town Manager's Copy

Town of Purcellville

Mayor
William T. Druhan, Jr.

Council
Nick W. Pelchar
Karl R. Phillips
Gregory W. Wagner
Robert W. Lazaro, Jr.
Christopher J. Walker, III
Thomas A. Priscilla, Jr.

Town Manager
Robert W. Lohr, Jr.

130 East Main Street
Purcellville, VA 20132
Phone 540-338-7421
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CONFIDENTIAL REPORT

MEMORANDUM

TO: Mayor and Town Council

FROM: Robert W. Lohr, Jr., Town Manager

RE: Background Information on Water and Sewer Rates

DATE: February 28, 2005

The purpose of this memorandum is to provide you with some background information, historical data and some potential recommendations as they relate to the questions that have been generated on the setting of utility rates for our Water and Sewer Department. In order to provide you with as much background information as possible, the staff produced several reports.

The first includes a historical water and sewer rate summary for the Town of Purcellville. This document has been included under Attachment I and shows our rates for our user fees and availability fees for as far back as our records could easily track. The first year of this chart shows the rates during FY 92/93 and ends with the current proposed budget which shows a minimum recommended rate increase of 5% in both water and sewer user fees along with a $1,000 increase in availabilities for both water and sewer.

The second document is a comparison of water and sewer rates along with availability/connection fees for our neighboring jurisdictions in Loudoun County. A copy of this report has been included under Attachment II and the user fees are based on 1,000 gallons. As you can see, our neighboring communities employ a variety of rate structures. The most common is the flat rate structure that we use but Hamilton uses an "ascending" rate structure where you are charged a higher rate once you exceed 4,000 gallons. On the other side, Middleburg uses a "descending" rate structure system where the rate drops once you go over 2,000 gallons in usage. It is important to note that during most of the 1990's, the Town of Purcellville had the highest water and sewer rates in the County and also the highest availability fee. Just recently when many of our neighbors had to undertake large capital projects, did their rates jump up in line with our current rate structure.

The third attachment is historical background information based on our audits of the utility enterprise funds for both water and sewer. Under this report, the staff used the last

12 years of audited statements to provide you with some quick snapshots of specific items which will be important to you as you move forward with your rate setting studies. The first item reviewed under this report was the operating revenues for each year. This figure did not include earned interest income or availabilities which we withheld to apply towards capital projects. All other revenue sources that were identified annually were added together to show you the total operating revenue. Obviously, the majority of this income stream was the result of user fees.

The second item under this category involved operational and maintenance expenses which showed all of the expenses with the exception of Debt Service and Capital Projects. Obviously, all the expenses shown truly reflect what we consider as daily O&M costs such as salaries, benefits, equipment, supplies, utility bills and other similar operational issues. What is not included in this expense section is the Debt Service and Capital Projects which depending on the comfort level and formula you are using could include some items being considered non-growth related without a potential increase in capacity or new service.

In order to give you just a general snapshot, we then subtracted the two to determine whether the standard operational budget was covered by our operational revenue for that year.

A third item that we included in this historical background information on the enterprise fund is the amount of availabilities that we collected in dollars for that specific year. That will clearly show how the availability stream has fluctuated and the amount of money that we have collected during each year.

The fourth item that we included under this study was reserves to show you how our reserves have accumulated on an annual basis. It is important to note that these reserves were built up as a result of surpluses that were run in the operational budget on an annual basis along with the additional surcharge that was placed on our availabilities over the years. Since approximately FY 1998/99, the Town of Purcellville began charging the developer more for the availabilities than the exact cost for a new connection impact in order to create capacity for the Town. Most all of this additional money was put into reserves for future use or directed towards capital projects that were of large scale but may not have created any additional capacity. Examples of these projects included upgrades to the reservoir, painting and maintenance to our 2 water storage tanks, upgrades to existing pump stations that didn't involve new capacity and other similar projects.

The fifth and final item that we included was a summary of outstanding long-term debt that existed at the end of each fiscal year. This will show you how our long-term debt increased as we were required to meet new federal and state mandates along with increasing the capacity of our plants as the Town grew with by-right development and annexations.

In summary, these three reports will hopefully provide you with additional information along with the new water and sewer rate study which will be completed during the last part of March. For the purpose of historical review and general discussions on this water

and sewer rate issue, I will provide you with several observations that may be helpful during the Town Council's deliberations on this issue. Please review the following:

- Prior to any annexations, the Town was under mandates in the early 1990's to upgrade both our water and wastewater systems because of water quality, new permit limits and the age of some of our existing facilities. As a result, the Town began a fairly significant rate increase where the user fees increased every year for 6 years. This period ran from FY 1992/93 to FY 1997/98. During this period, the Town of Purcellville had the highest rates in Loudoun County both in availabilities and user fees. In some cases such as our sewer user fees, the rates almost tripled during this period. During this period, the Town met a lot of resistance from residents because many of the capital projects that would eventually improve the water quantity and quality had not been implemented but the rates were increasing every year.

- Unlike many of our immediate neighbors, the Town of Purcellville substantially increased our availability fees in advance of most of the growth that occurred which resulted in the Town collecting a majority of the availabilities at a rate much higher than the initial new connection impact. Other communities waited until they had less than a hundred availabilities or fewer left and then tried to rapidly raise the rates to collect a very limited amount of revenue in a short or limited time period.

- It is important to note that under state guidelines, availabilities fees and new connections should only be charged at a rate that covers capital projects in place at the time the rate analysis was completed. This basically means that the charges for availabilities should basically only cover the cost of creating that new connection or capacity in both utility operations. In fact, many, if not most communities, attempt to collect not only that initial impact but also additional revenue under these availabilities to cover non-related growth or new capacity projects which may be operational in nature. Since most developers accept this as long as it is a reasonable charge, the state has allowed this practice of charging the development community more than the actual impact to continue without directly questioning these practices. This almost changed several years ago when several communities attempted to set their availability fees so high that it became a "slow growth" or "no growth" initiative and there was a major push by the building and development industry at the state level to require formal auditing of these fees on an annual basis. Fortunately, this initiative did not pass but the word was quickly spread to local governments and the development community that a reasonable agreement and accommodation must be made by all parties on this item.

- While looking at the starting point in 1992/93 for our reserves, it is clear to see that the Town was able to build these funds using surpluses from previous years, availability fees which should be allotted directly towards new capacity capital projects/debt service and additional revenue above and beyond the initial capacity impact that we charge in our availability fee structure. A portion of these reserves give the Town flexibility in determining rate structures, capital projects and other similar programs.

- It is important to note that a large portion of the reserve was directly contributed to go towards new capacity projects such as upgrading a portion of the wastewater plant, installing additional filter units at the water plant, replacing and upgrading lines throughout the Town and other similar projects. It is important to note that we should not take these funds and use them for any purpose other than paying down of existing debt for new capacity/growth driven capital improvements or debt service related to these projects.

- As a general policy, it is recommended that water and sewer rates be adjusted upwards on an annual basis in order to keep track with inflation, mandated staffing requirements and other operational policies. At a minimum, these rates should be adjusted to the federal cost of living or inflationary index. In fact, we should always monitor new regulations and mandates such as additional staffing that kicks in at certain levels along with other items to ensure that these items are covered on an annual basis. It is important to note that in this year's proposed budget, the Town is adding more staffing at these facilities than we added collectively in the last 4 or 5 years based on operational impacts, new regulations and other similar items.

- Based on my experience and changes in regulations and new mandates at both the state and federal level, it is far better to raise the rates a little bit each year so that when large increases have to occur in small towns because of the economy of scale based on new programs, the initial impact to the residents will be significantly softened.

- Because of limited resources, the Town did not complete a formal rate study until 2002 and this study began to look at any unique variables within our community. Copies of this report were provided to Council at the time and made available to the public. We have copied this document and provided it to all of our current Council as background information as we deliberate the FY 05/06 budget. In addition, the Town has contracted with Whitman, Requardt and Assoc., LLP to complete a formal rate analysis. They have done similar studies in Warrenton and other jurisdictions and have an excellent working model that will allow the communities to plug in any changes that you have in your revenue or expenditure stream in order to look at adjustments needed. This report should be completed by the end of March and will be available to Council as they continue to deliberate on the budget over the next several months.

- Over the years that I have worked in Purcellville and other communities, there have been always a lot of questions on the principle of "economy of scale". In fact, we deal with residents on a daily basis who are moving out here from Northern Virginia and other metropolitan areas in Northern Virginia and Maryland who see their rates double and triple when they move to Purcellville. Whether we like to acknowledge it or not, there is clearly a principle of "economy of scale" and there is a direct correlation to the cost of providing utilities versus the size of the community and how quickly they upgraded their facilities during the 1970's and 1980's when there was still a lot of grant money available. What history has shown and continues to show is that larger jurisdictions that were

ramped up and building major facilities that could be upgraded and added to for decades during the 1960's, 1970's and 1980's are able to provide a substantial high quality of water and sewer service to their residents at a much lower cost. For example, large metropolitan areas such as Fairfax, Chesterfield County, Henrico County and other communities are able to provide utilities much cheaper than operations such as LCSA, Leesburg and other similar size jurisdictions. Likewise, Leesburg and LCSA can provide service at a much lower user fee than communities such as Purcellville, Round Hill and Middleburg. This is directly related to their ability at the time to build larger facilities which could be operated with an economy of scale and be added on where smaller communities tend to build cheaper facilities to meet their tight budgets that could not easily be expanded. As a result, many older water and wastewater facilities had to be abandoned and new facilities rebuilt which had to occur during periods of high land cost and construction periods with minimal grant funding and other breaks that many of the larger communities took advantage of during the large capital infrastructure improvement periods of the 1970's and 1980's. Please do not get me wrong in that I am advocating heavy growth which some would theoretically think would allow us to reduce our rates. The fact is that if we would have built out the entire Town of Purcellville corporate limits along with all of the UGA, we would probably never be able to achieve the same economy of scale that even the Town of Leesburg enjoys much less come anywhere close to LCSA or communities such as Fairfax County. The one advantage that we do have is that we did see growth and development coming and was able to get some proffers for our water and sewer projects which obviously allow us to provide a better quality product that is more dependable than many of the smaller jurisdictions that are located in this County.

- During the first year on the job, I developed a memorandum to Council identifying concerns and issues related to operational costs and availabilities. A copy of this memo is included under Attachment IV. In addition, I have readdressed some of the major concerns that I had related to the nose dive that we will see in availabilities over the next several years in several of my budget transmittal letters over the last 6 years. Because we are such a unique community in a rapidly growing area, the Town has seen approximately 25 years of anticipated normal growth occur within a 5 year period. This resulted in an enormous surge of availabilities which will be followed by a period when our corporate boundaries in the very near future will be built out and the revenue streams from availabilities will slowly reduce by over 90%. This creates some enormous problems for any community much less a community our size based on the following:

    1) You have to make sure that you do not make any mistakes in how you handle your capital projects, funding/financing of programs and setting of rates for the ultimate period when availability revenues are depleted. Any minor mistake will be compounded because you don't have time to quickly respond or react in a period when most communities would have 20 to 30 years to monitor on an annual basis and make adjustments.

2) Unlike the General Fund and many other operational funds, the Utility Enterprise Funds traditionally only have 2 major sources of revenue. These sources include user fees and availabilities. Without the influx of new development or revitalization of existing properties, the Town will not have this additional availability revenue to fund capital projects and everything will become user fee driven as a rule. Our initial projections that were quickly run in-house showed that minimal growth in the UGA along with build-out of in-town would potentially result in an ultimate water and sewer rate that would be around $10 per 1,000 gallons for each fund if the state and federal government did not substantially change the operational mandates that currently exist. In 2002, the rate and sewer study analysis indicated that our potential utility rates could be as high as $6 to $8 per 1,000 gallons by the end of 2008. It is also important to note that the rate study indicated that we needed to increase our user fees and that our availabilities were higher than the impact of the new connection or growth based on our current list of projects.

3) One of the most alarming issues that we have experienced over the last 2 years is the movement by the federal and state government to institute a significant number of unfunded mandates which are going to have a substantial impact to our users once we reach full development and a minimal number of availabilities will be trickling in during any given year. All of these unfounded mandates both now and in the future will have to be paid by the users and it appears that the state is providing very little support to us which are further compounding our problems. In addition, the little bit of support that is being given by the state is income driven so that our community fails to qualify for any type of grants, low interest subsidies on all levels.

In closing, I hope this information will provide you some background and potential suggestions on where we go from here. Obviously, the Council will be responsible for determining the policy directives and reviewing the updated rate study to work with staff to develop a plan that will not only address our immediate financial needs but allow us to better transition for the period which is potentially coming very fast where user fees will make up predominately 80% of our revenue in each department. All of the burden and impact will fall solely on our users with minimal opportunities to generate other revenue.

Please do not hesitate to contact me or staff directly if there are any questions that we can answer for you or any additional research you would like to have reviewed.

RWLjr/dr

ATTACHMENT I

(REVISED)
WATER/SEWER RATES PER 1000 GALLONS
AND
AVAILABILITY FEES

	1992 – 1993	1993 – 1994	1994 – 1995	1995 – 1996	1996 – 1997	1997 – 1998	1998 – 1999	1999 – 2000	2000 - 2001	2001 – 2002	2002 – 2003	2003 – 2004	2004 - 2005	Proposed 2005 – 2006
Water	$3.20	$3.46	$3.74	$4.03	$4.15	$4.15	$4.15	$4.15	$4.15	$4.15	$4.15	$4.15	$4.35	$4.56
Sewer	$2.50	$2.75	$3.03	$3.57	$4.64	$6.03	$6.03	$6.03	$6.03	$6.03	$6.03	$6.03	$6.33	$6.65
Water Avail.	$3,000	$3,000	$3,600	$4,000	$4,000	$4,000	$4,000	$4,000	$5,000	$6,000	$8,000	$8,000	$9,000	$10,000
Sewer Avail.	$3,000	$3,000	$3,600	$4,000	$4,000	$4,000	$5,000	$5,000	$6,000	$7,000	$7,000	$7,000	$8,000	$9,000

ATTACHMENT II

WATER/SEWER RATES IN NEIGHBORING JURISTICTIONS
(1,000 Gallons)

TOWN	WATER RATE	SEWER RATE	Additional Charge – Water	Additional Charge - Sewer
Hamilton	$2.50 First 4,000 gallons	$3.50	Over 4,000 Add $8/1,000	Over 4,000 Add $15/1,000
Leesburg *	$2.67 (Winter Rate)	$3.21	See Explanation (*)	
Lovettsville**	$5.20	$7.80		
Middleburg	$14.75	$10.70	$9.75/1,000 over 2,000	$7.70/1,000 over 2,000
Round Hill	$5.82	$7.30		
LCSA	$6.31	$5.54	$2.46/1,000 over 6,000	$2.59/1,000 over 8,000
Purcellville	$4.35	$6.33		

* - Senior Discounts Available
* - Rates is Based on Winter Consumption. If they use more than 35%, they are charged $3.63/1,000 (doesn't affect sewer rate).
** - Residents that use less than 6,500 gallons/quarter pay a minimum charge of $84.50.

AVAILABILITY/CONNECTION FEES

TOWN	WATER AVAILABILITY	SEWER AVAILABILITY	CONNECTION FEE – WATER	CONNECTION FEE - SEWER	TOTAL
Hamilton	$10,000	$6,000	$10,000	$500	$26,500
Leesburg	$3,926	$6,115			$10,041
Lovettsville	$8,100	$11,900	$1,000	$1,000	$22,000
Middleburg	$8,000	$11,000	$500	$500	$20,000
Round Hill	$4,200	$9,800	Actual Cost +10%	Actual Cost +10%	$14,000 + Connection
LCSA	$3,575	$4,933	$145.00	$80.00	$8,733
Purcellville	$9,000	$8,000	$235.00 (Meter)		$17,235

ATTACHMENT III

HISTORICAL BACKGROUND INFORMATION ON ENTERPRISE FUND

FY 92/93

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$237,590	$163,973
	Expenses	$234,412	$167,205
	TOTAL	$3,178	$3,232

Reserves	$136,178	$54,864
Debt Service	$40,000	$289,346

FY 93/94

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$287,070	$198,296
	Expenses	$225,159	$200,403
	TOTAL	$61,911	($2,107)

WATER AVAILABILITIES	SEWER AVAILABILITIES
$113,912	$117,913

Reserves	$215,247	$141,059
Debt Service	$355,000	$283,513

FY 94/95

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$294,712	$220,179
	Expenses	$223,520	$194,760
	TOTAL	$71,192	$25,419

WATER AVAILABILITIES	SEWER AVAILABILITIES
$103,938	$107,437

Reserves	$264,249	$214,363
Debt Service	$305,000	$277,086

FY 95/96

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$342,182	$268,680
	Expenses	$243,097	$210,437
	TOTAL	$99,085	$58,243

WATER AVAILABILITIES	SEWER AVAILABILITIES
$25,163	$25,162

Reserves	$250,9129	$239,999
Debt Service	$250,000	$270,499

FY 96-97

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$350,939	$277,891
	Expenses	$275,620	$214,252
	TOTAL	$75,319	$63,639

WATER AVAILABILITIES	SEWER AVAILABILITIES
$57,500	$57,500

Reserves	$276,213	$275,089
Debt Service	$718,710	$263,575

FY 97/98

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$396,916	$487,534
	Expenses	$291,116	$229,205
	TOTAL	$105,800	$258,329

WATER AVAILABILITIES	SEWER AVAILABILITIES
$390,000	$370,000

Reserves	$599,911	$766,997
Debt Service	$824,875	$256,594

FY 98/99

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$659,413	$532,913
	Expenses	$442,362	$320,986
	TOTAL	$217,051	($211,927)

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WATER AVAILABILITIES	SEWER AVAILABILITIES
$348,000	$440,000

Reserves	$784,061	$1,571,877
Debt Service	$994,831	$963,754

FY 99/00

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$488,051	$588,915
	Expenses	$458,243	$333,613
	TOTAL	$29,808	$255,302

WATER AVAILABILITIES	SEWER AVAILABILITIES
$755,000	$902,500

Reserves	$1,017,059	$2,291,311
Debt Service	$1,150,918	$952,498

FY 00/01

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$538,214	$639,868
	Expenses	$573,488	$415,819
	TOTAL	($35,274)	$224,049

WATER AVAILABILITIES	SEWER AVAILABILITIES
$588,000	$715,000

Reserves	$1,230,775	$2,732,592
Debt Service	$4,001,848	$3,305,977

FY 01/02

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$620,324	$713,537
	Expenses	$701,258	$492,958
	TOTAL	($80,934)	$220,579

WATER AVAILABILITIES	SEWER AVAILABILITIES
$1,195,500	$1,391,000

Reserves	$2,189,990	$3,483,444
Debt. Service	$3,887,003	$6,144,419

FY 02/03

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$701,759	$800,945
	Expenses	$710,495	$677,797
	TOTAL	($8,736)	$123,148

WATER AVAILABILITIES	SEWER AVAILABILITIES
$1,713,235	$1,531,000

Reserves	$2,853,376	$4,860,871
Debt. Service	$3,887,006	$6,499,477

FY 03/04

Operation & Maintenance Reviews		WATER	SEWER
	Revenues	$798,825	$915,008
	Expenses	$770,778	$687,030
	TOTAL	$28,047	$227,978

WATER AVAILABILITIES	SEWER AVAILABILITIES
$2,916,000	$2,558,500

Reserves	$5,328,618	$6,883,475
Debt. Service	$3,766,347	$6,510,821

ATTACHMENT IV

Mayor
Ronald M. Masters

Council
Basham Simms, Vice-Mayor
John Marsh
Eric Lyles
Paul Arbogast
Beverly MacDonald
Lisa Payne

Town Manager
Robert W. Lohr, Jr.

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STAFF REPORT
(Internal Memorandum)

TO : Finance Committee
FROM: Robert W. Lohr., Jr., Town Manager
DATE: 4/8/93
REF : FY 93/94 Supplemental Budget Report

The purpose of this memorandum is to outline several questions in relation to availability fees/user fees that was discussed in our April 6, 1993 meeting. There was some interest in applying a portion of the proposed availability fee revenue towards operation and maintenance to help reduce the proposed rate increase. For the purpose of review, I will outline several parameters for your consideration.

a) Availability fees shouldn't be used to fund your operation and maintenance cost due to the fact that this revenue is speculative. If development doesn't occur, you are automatically faced with a deficit. On the other side, if availabilities are put towards the capital improvement program then you can suspend projects if the revenue isn't collected. Capital Projects are variable cost rather than fixed cost like salaries, utility cost, debt payment and maintenance. There isn't any major problems with using some of the estimated revenue from availability fees to offset the proposed major rate increase but you must be 100% sure that this revenue is collected.

b) The Town Council must review the information included in the supplemental report section provided by the Town Planner to determine what level of revenue should be included in the availability fee category.

c) The staff recommends that we raise the utility rates by a minimum of 6% in water and 10% in sewer. This will allow the Town to cover most of their o/m cost. At this level, the Town will have to supplement the operational budget with revenue from availability fees.

In this section, the staff has developed some figures on hypothetical budget impacts relating to this information.

Proposed FY 93/94 Budget					
Water Rate Incr.:	13%	Proj. water avail.:	$12,000	Cap. Proj.:	$0
Sewer Rate Incr.:	20%	Proj. sewer avail.:	$20,000	Cap. Proj.:	$0
Alternate 1					
Water Rate Incr.:	7%	Proj. water avail.:	$25,000	Cap. Proj.:	$0
Sewer Rate Incr.:	17%	Proj. sewer avail.:	$25,000	Cap. Proj.:	$0
Alternate 2					
Water Rate Incr.:	3%	Proj. water avail.:	$35,000	Cap. Proj.:	$0
Sewer Rate Incr.:	10%	Proj. sewer avail.:	$35,000	Cap. Proj.:	$0
Alternate 3					
Water Rate Incr.:	3%	Proj. water avail.:	$45,000	Cap. Proj.:	$10,000
Sewer Rate Incr.:	10%	Proj. sewer avail.:	$45,000	Cap. Proj.:	$10,000
Alternate 4					
Water Rate Incr.:	3%	Proj. water avail.:	$55,000	Cap. Proj.:	$20,000
Sewer Rate Incr.:	10%	Proj. sewer avail.:	$55,000	Cap. Proj.:	$20,000
Alternate 5					
Water Rate Incr.:	6%	Proj. water avail.:	$28,000	Cap. Proj.:	$0
Sewer Rate Incr.:	10%	Proj. sewer avail.:	$35,000	Cap. Proj.:	$0
Alternate 6					
Water Rate Incr.:	0%	Proj. water avail.:	$41,000	Cap. Proj.:	$0
Sewer Rate Incr.:	0%	Proj. sewer avail.:	$51,000	Cap. Proj.:	$0

RWLjr./dr

ATTACHMENT 28

Davenport & Company LLC

Member: FINRA – NYSE - SIPC

One James Center
901 East Cary Street
14th Floor
Richmond, Virginia 23219

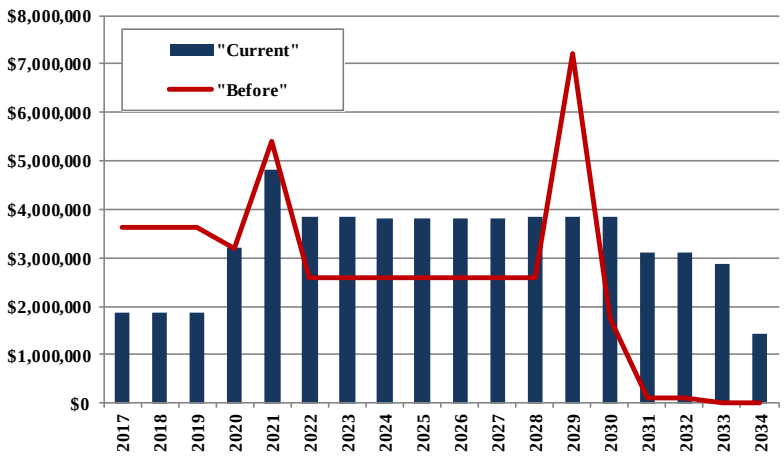
Town of Purcellville Virginia

Existing Utility Enterprise Debt Service

June 9, 2016

EXISTING UTILITY ENTERPRISE DEBT SERVICE

Combined Utility Debt Before the 2013 Financing and Current Utility Debt



Current Combined Utility Debt

FY	Principal	BABs Subsidy	Interest	Total
2017	301,500	(25,734)	1,605,193	1,880,959
2018	316,500	(24,354)	1,591,352	1,883,498
2019	331,500	(22,905)	1,576,139	1,884,734
2020	1,679,691	(21,387)	1,541,955	3,200,258
2021	3,360,710	(9,935)	1,465,363	4,816,138
2022	2,482,515	-	1,369,598	3,852,113
2023	2,560,127	-	1,278,433	3,838,560
2024	2,643,566	-	1,184,190	3,827,756
2025	2,722,852	-	1,086,531	3,809,383
2026	2,833,008	-	985,934	3,818,942
2027	2,944,056	-	880,626	3,824,682
2028	3,066,018	-	770,835	3,836,853
2029	3,183,917	-	657,389	3,841,306
2030	3,302,777	-	539,362	3,842,139
2031	2,691,500	-	426,728	3,118,228
2032	2,812,500	-	298,661	3,111,161
2033	2,695,000	-	180,665	2,875,665
2034	1,375,000	-	63,250	1,438,250
Total	**41,302,738**	**(104,315)**	**17,502,203**	**58,700,626**

DISCLAIMER

The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,
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ATTACHMENT 29

The Town of Purcellville, Virginia **Multi-Year Water and Sewer Utility Fund Forecast**	**Estimate 2014**	**Proposed 2015**	**Projected 2016**	**Projected 2017**	**Projected 2018**	**Projected 2019**	**Projected 2020**	**Projected 2021**	**Projected 2022**	**Projected 2023**
Annual Increase / (Decrease) in Water Rates	-	-3%	0%	2%	2%	3%	3%	0%	0%	0%
Annual Increase / (Decrease) in Sewer Rates	-	-3%	0%	2%	2%	3%	3%	4%	4%	4%
Total Operating Revenues	$5,044,185	$4,910,986	$4,961,014	$5,153,877	$5,364,439	$5,642,984	$5,914,049	$6,126,174	$6,313,095	$6,492,443
Total Operating Expenditures *(less Debt Service & Cash Funded Capital)*	($3,980,210)	($4,895,661)	($4,374,655)	($4,473,618)	($4,575,550)	($4,680,539)	($4,788,679)	($4,900,062)	($5,014,787)	($5,132,954)
Surplus Before Debt Service, Capital	***$1,063,975***	***$15,325***	***$586,359***	***$680,259***	***$788,889***	***$962,445***	***$1,125,371***	***$1,226,111***	***$1,298,308***	***$1,359,489***
Existing Water and Sewer Utility Fund Debt Service:										
Existing Debt Service *(P+I)*	($2,282,187)	($1,909,558)	($1,933,014)	($1,930,990)	($1,928,213)	($1,935,299)	($3,247,333)	($4,862,962)	($3,899,290)	($3,885,365)
New Debt Service *(P+I)*	-	-	($6,141)	($111,746)	($316,483)	($581,770)	($741,783)	($741,783)	($741,783)	($741,783)
Cash Funded Capital	-	($350,000)	($550,000)	($200,000)	-	-	-	-	-	-
Surplus / (Deficit) After Debt Service, Cash Funded Capital	***($1,218,212)***	***($2,244,233)***	***($1,902,797)***	***($1,562,478)***	***($1,455,807)***	***($1,554,623)***	***($2,863,745)***	***($4,378,634)***	***($3,342,766)***	***($3,267,660)***
Estimated Number of Availability Sold	20	47	48	73	73	73	79	26	23	23
Availability Fee Revenues	$964,317	$2,290,660	$2,313,486	$3,462,897	$3,564,511	$3,778,973	$2,810,227	$1,444,012	$1,243,557	$1,180,580
Net Surplus / (Deficit) After Debt Service, Capital and Availabilities	***($253,895)***	***$46,427***	***$410,690***	***$1,900,420***	***$2,108,704***	***$2,224,349***	***($53,518)***	***($2,934,622)***	***($2,099,209)***	***($2,087,079)***
Total Cash and Cash Equivalents	**$4,003,022**	**$4,049,449**	**$4,460,139**	**$6,360,559**	**$8,469,263**	**$10,693,612**	**$10,640,094**	**$7,705,473**	**$5,606,263**	**$3,519,184**
Cash as Percentage of Annual Expenditures	64%	57%	65%	95%	124%	149%	121%	73%	58%	36%
Debt Coverage Ratio (Net Revenues Available for Debt Service / Debt Service)	**0.89**	**1.21**	**1.50**	**2.03**	**1.94**	**1.88**	**0.99**	**0.48**	**0.55**	**0.55**

ATTACHMENT 30

Multi-Year Total Utility Fund Forecast	Estimated 2016	Proposed 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Annual Increase / (Decrease) in Water Rates	0%	3%	7%	7%	7%	7%	3%	3%
Annual Increase / (Decrease) in Sewer Rates	5%	5%	7%	7%	7%	7%	3%	3%
Total Operating Revenues	$5,072,331	$5,264,711	$6,142,572	$6,671,903	$7,237,029	$7,779,827	$8,041,263	$8,264,101
Total Operating Expenditures *(less Debt Service & Cash Funded Capital)***	($4,388,452)	($4,397,795)	($4,515,569)	($4,613,569)	($4,714,509)	($4,818,477)	($4,925,565)	($5,035,865)
Surplus Before Debt Service, Capital	***$683,879***	***$866,916***	***$1,627,003***	***$2,058,334***	***$2,522,520***	***$2,961,350***	***$3,115,699***	***$3,228,236***
Sewer System Capital Expenses:								
Existing Debt Service *(P+I)*	($1,923,460)	($1,906,693)	($1,907,852)	($1,907,639)	($3,221,646)	($4,826,073)	($3,852,113)	($3,838,560)
New Debt Service *(P+I)*	$0	$0	($69,868)	($236,783)	($459,982)	($678,141)	($770,149)	($770,149)
Cash Funded Capital	($500,000)	($94,000)	$0	$0	$0	$0	$0	$0
Surplus / (Deficit) After Debt Service, Cash Funded Capital	***($1,739,581)***	***($1,133,776)***	***($350,716)***	***($86,089)***	***($1,159,108)***	***($2,542,865)***	***($1,506,564)***	***($1,380,473)***
Current Planned Connections	73	140	152	120	114	-	-	-
Long Term Estimateed Connections	-	-	-	-	-	-	-	-
Availability Fee Revenues	$1,965,191	$3,599,262	$3,848,032	$3,195,288	$3,146,502	$506,946	$445,868	$414,047
Net Surplus / (Deficit) After Debt Service, Capital and Availabilities	***$225,610***	***$2,465,486***	***$3,497,316***	***$3,109,199***	***$1,987,393***	***($2,035,919)***	***($1,060,696)***	***($966,426)***
Total Cash and Cash Equivalents	**$5,838,793**	**$8,304,278**	**$11,801,594**	**$14,910,793**	**$16,898,187**	**$14,862,267**	**$13,801,571**	**$12,835,146**
Cash as Percentage of Annual Expenditures	86%	130%	182%	221%	201%	144%	145%	133%
Debt Coverage Ratio (Net Revenues Available for Debt Service / Debt Service)	**1.21**	**2.00**	**2.66**	**2.52**	**1.27**	**0.74**	**0.77**	**0.79**

ATTACHMENT 31

WATER CHARGES PER GALLON SUMMARY May 1, 2015 - May 1, 2016

Total - Water Usage & Svc Chg		
Total Gallons Sold		176,936,956
Total $ Billed in Town	$	2,065,111.28
Average Price per Gallon		0.011671453
Average Price per 1000 g	$	11.67

In Town - Water Usage		
Total in Town Gallons		174,871,036
Total $ Billed in Town	$	1,731,170.02
Average Price per Gallon		0.009899696
Average Price per 1000 g	$	9.90
Out of Town - Water Usage		
Total Out of Town Gallons		2,065,920
Total $ Billed Out of Town	$	52,594.26
Average Price per Gallon		0.025458033
Average Price per 1000 g	$	25.46

<<< Does not include fixed fee service charge

Residential - Water Usage		
Total Residential Gallons		120,378,171
Total $ Billed Residential	$	900,702.01
Average Price per Gallon		0.00748227
Average Price per 1000 g	$	7.48
Commercial - Water Usage		
Total Commercial Gallons		56,558,785
Total $ Billed Commerical	$	883,062.27
Average Price per Gallon		0.015613176
Average Price per 1000 g	$	15.61

<<< Does not include fixed fee service charge

	# of Accounts	Cost	Total	Added to Price		
Residential	2405	$15.00 (per month)	$216,450.00	$ 1,117,152.01		ESTIMATE OF RESIDENTIAL WITH SERVICE CHARGES
				0.009280354		
				$ 9.28	<-------	Est. Price Per Gallon including Service Charges
Commercial	301	Varios (per month)	$64,897.00	$ 947,959.27		ESTIMATE OF COMMERCIAL WITH SERVICE CHARGES
				0.016760602		
				$ 16.76	<-------	Est. Price Per Gallon including Service Charges

Source: Revenue Analysis by Rate Report, May 1, 2015-May 1, 2016

Bulk Water Sales as of 5.26.16

Total in Town Gallons		1,145,714
Total $ Billed	$	10,169.91
Average Price per Gallon		0.008876482
Average Price per 1000 g	$	8.88

		Gal	Usage $	Adm Fee	Total Paid	Avg Usage Rate	Avg Total Rate
Michels	2.4.16	300,000	2,155.50	50.00	2,205.50	7.19	7.35
Bell	4.19.16	535,714	4,950.01	50.00	5,000.01	9.24	9.33
Michels	5.16.16	300,000	2,772.00	50.00	2,822.00	9.24	9.41
Johnson	5.26.16	10,000	92.40	50.00	142.40	9.24	14.24
		1,145,714	9,969.91	200.00	10,169.91	8.70	8.88

Usage and Revenue by Billing Period

Billing Date	Usage	Usage $	Svc Chg $	Total $	Average per 1,000 gallons: Usage	Average per 1,000 gallons: Usage + Svc Chg
6/1/2016	30,118,450	$ 287,313.18	$ 47,089.58	$ 334,402.76	$ 9.54	$ 11.10
4/1/2016	27,670,250	$ 261,243.93	$ 46,744.58	$ 307,988.51	$ 9.44	$ 11.13
2/1/2016	28,557,350	$ 274,157.28	$ 46,662.08	$ 320,819.36	$ 9.60	$ 11.23
12/1/2015	27,345,740	$ 281,132.83	$ 46,662.08	$ 327,794.91	$ 10.28	$ 11.99
10/1/2015	31,411,740	$ 332,769.92	$ 46,497.08	$ 379,267.00	$ 10.59	$ 12.07
8/1/2015	30,986,500	$ 298,838.63	$ 46,355.59	$ 345,194.22	$ 9.64	$ 11.14
6/1/2015	30,415,564	$ 335,664.35	$ 46,355.59	$ 382,019.94	$ 11.04	$ 12.56
4/1/2015	26,820,440	$ 270,554.14	$ 46,190.59	$ 316,744.73	$ 10.09	$ 11.81
AVERAGE	29,165,754	$ 292,709.28	$ 46,569.65	$ 339,278.93	$ 10.03	$ 11.63

TYPE	RES/COMM	IN/OUT TOWN	SERVICE	RATE	USAGE	REVENUE
SEWER SVC CHG			SS	S1	-	226,620.00
SEWER SVC CHG			SS	S2	-	1,290.00
SEWER SVC CHG			SS	S3	-	8,287.50
SEWER SVC CHG			SS	S4	-	10,200.00
SEWER SVC CHG			SS	S5	-	17,998.50
SEWER SVC CHG			SS	S6	-	6,226.48
SEWER SVC CHG			SS	S7	-	2,999.76
SEWER SVC CHG			SS	S9	-	-
SEWER USAGE	C	I	SW	S01	10,468,930	151,273.92
SEWER USAGE	C	I	SW	S02	1,937,550	27,574.10
SEWER USAGE	C	I	SW	S03	7,474,695	106,493.01
SEWER USAGE	C	I	SW	S04	7,093,000	101,076.24
SEWER USAGE	C	I	SW	S05	14,312,400	203,650.18
SEWER USAGE	C	I	SW	S06	5,495,920	78,449.48
SEWER USAGE	C	I	SW	S07	3,306,400	46,431.04
SEWER USAGE	C	O	SW	S13	187,550	5,411.22
SEWER USAGE	C	I	SW	S21	59,700	-
SEWER USAGE	C	I	SW	S23	4,750	-
SEWER USAGE	C	I	SW	S24	51,500	-
SEWER USAGE	C	I	SW	S25	50,850	-
SEWER USAGE	R	I	SW	S31	118,672,331	1,695,608.67
SEWER USAGE	R	I	SW	S34	-	1,048.32
WATER SVC CHG			WS	W1	-	230,250.00
WATER SVC CHG			WS	W2	-	1,290.00
WATER SVC CHG			WS	W3	-	8,512.50
WATER SVC CHG			WS	W4	-	11,100.00
WATER SVC CHG			WS	W5	-	18,718.44
WATER SVC CHG			WS	W6	-	6,226.48
WATER SVC CHG			WS	W7	-	5,249.58
WATER USAGE	C	I	WA	W01	8,922,910	85,076.42
WATER USAGE	C	I	WA	W02	2,181,550	25,991.33
WATER USAGE	C	I	WA	W03	8,053,195	108,821.89
WATER USAGE	C	I	WA	W04	8,186,000	126,356.41
WATER USAGE	C	I	WA	W05	15,170,900	290,534.07
WATER USAGE	C	I	WA	W06	5,495,920	113,226.48
WATER USAGE	C	I	WA	W07	3,306,400	89,671.46
WATER USAGE	C	O	WA	W13	187,550	4,886.15
WATER USAGE	C	O	WA	W17	1,093,000	38,498.06
WATER USAGE	C	I	WA	W21	214,480	-
WATER USAGE	C	I	WA	W22	50	-
WATER USAGE	C	I	WA	W23	263,750	-
WATER USAGE	C	I	WA	W24	51,500	-
WATER USAGE	C	I	WA	W25	80,350	-
WATER USAGE	C	I	WA	W26	2,770,730	-
WATER USAGE	C	I	WA	W27	580,500	-

TYPE	RES/COMM	IN/OUT TOWN	SERVICE	RATE	USAGE	REVENUE
WATER USAGE	R	I	WA	W31	119,007,201	891,491.96
WATER USAGE	R	O	WA	W32	563,450	8,896.10
WATER USAGE	R	I	WA	W33	507,650	-
WATER USAGE	R	O	WA	W35	146,570	-
WATER USAGE	R	O	WA	W36	75,350	303.93
WATER USAGE	R	I	WA	W38	77,950	10.02
MISC (refunded)			SC	AV	-	2,517.68
TOTAL WATER						2,065,111.28
TOTAL					346,052,532	4,758,267

ATTACHMENT 32

Date	Usage	Amount	Effective rate per gallon	Per 1,000 Gallons	Per 10,000	
12/01/2015	635,900	$ 18,727.07	$ 0.02945	$ 29.45	$ 294.50	
12/01/2015	634,700	$ 18,663.58	$ 0.02941	$ 29.41	$ 294.05	
12/01/2015	382,100	$ 8,306.17	$ 0.02174	$ 21.74	$ 217.38	
12/01/2015	316,100	$ 6,391.40	$ 0.02022	$ 20.22	$ 202.20	
12/01/2015	302,500	$ 6,010.60	$ 0.01987	$ 19.87	$ 198.70	
12/01/2015	290,500	$ 5,694.27	$ 0.01960	$ 19.60	$ 196.02	
12/01/2015	238,150	$ 4,361.48	$ 0.01831	$ 18.31	$ 183.14	
12/01/2015	214,000	$ 3,785.50	$ 0.01769	$ 17.69	$ 176.89	
12/01/2015	213,000	$ 7,523.30	$ 0.03532	$ 35.32	$ 353.21	*Out of Town User
12/01/2015	204,600	$ 3,561.31	$ 0.01741	$ 17.41	$ 174.06	
12/01/2015	202,000	$ 3,499.30	$ 0.01732	$ 17.32	$ 173.23	
12/01/2015	187,000	$ 3,179.38	$ 0.01700	$ 17.00	$ 170.02	
12/01/2015	162,700	$ 2,670.54	$ 0.01641	$ 16.41	$ 164.14	
12/01/2015	129,500	$ 2,017.77	$ 0.01558	$ 15.58	$ 155.81	
12/01/2015	129,500	$ 2,017.77	$ 0.01558	$ 15.58	$ 155.81	
12/01/2015	128,350	$ 1,996.06	$ 0.01555	$ 15.55	$ 155.52	
12/01/2015	126,000	$ 1,951.72	$ 0.01549	$ 15.49	$ 154.90	
12/01/2015	125,360	$ 1,939.64	$ 0.01547	$ 15.47	$ 154.73	
12/01/2015	93,500	$ -	$ -	$ -	$ -	
12/01/2015	90,870	$ 1,307.81	$ 0.01439	$ 14.39	$ 143.92	
12/01/2015	84,200	$ 1,195.82	$ 0.01420	$ 14.20	$ 142.02	
12/01/2015	83,200	$ 1,179.03	$ 0.01417	$ 14.17	$ 141.71	
12/01/2015	83,100	$ 1,177.35	$ 0.01417	$ 14.17	$ 141.68	
12/01/2015	81,650	$ 1,153.00	$ 0.01412	$ 14.12	$ 141.21	
12/01/2015	77,230	$ 1,078.79	$ 0.01397	$ 13.97	$ 139.69	
12/01/2015	77,000	$ 1,074.93	$ 0.01396	$ 13.96	$ 139.60	
12/01/2015	75,000	$ 1,041.35	$ 0.01388	$ 13.88	$ 138.85	
12/01/2015	74,000	$ 1,024.56	$ 0.01385	$ 13.85	$ 138.45	
12/01/2015	72,140	$ 993.33	$ 0.01377	$ 13.77	$ 137.69	
12/01/2015	71,200	$ 977.55	$ 0.01373	$ 13.73	$ 137.30	
12/01/2015	62,050	$ 823.92	$ 0.01328	$ 13.28	$ 132.78	
12/01/2015	60,000	$ 789.50	$ 0.01316	$ 13.16	$ 131.58	
12/01/2015	60,000	$ 789.50	$ 0.01316	$ 13.16	$ 131.58	
12/01/2015	58,000	$ 755.92	$ 0.01303	$ 13.03	$ 130.33	
12/01/2015	57,400	$ 745.85	$ 0.01299	$ 12.99	$ 129.94	
12/01/2015	55,800	$ 718.98	$ 0.01288	$ 12.88	$ 128.85	
12/01/2015	54,750	$ 701.35	$ 0.01281	$ 12.81	$ 128.10	
12/01/2015	52,750	$ 667.77	$ 0.01266	$ 12.66	$ 126.59	
12/01/2015	52,500	$ 663.58	$ 0.01264	$ 12.64	$ 126.40	
12/01/2015	51,900	$ 653.50	$ 0.01259	$ 12.59	$ 125.92	

Date	Usage	Amount	Effective rate per gallon	Per 1,000 Gallons	Per 10,000	
04/01/2016	463500	10955.48	$ 0.02364	$ 23.64	$ 236.36	
04/01/2016	329550	6768.00	$ 0.02054	$ 20.54	$ 205.37	
04/01/2016	328000	6724.60	$ 0.02050	$ 20.50	$ 205.02	
04/01/2016	309000	6192.60	$ 0.02004	$ 20.04	$ 200.41	
04/01/2016	286550	5591.84	$ 0.01951	$ 19.51	$ 195.14	
04/01/2016	277000	5344.21	$ 0.01929	$ 19.29	$ 192.93	
04/01/2016	216000	3833.20	$ 0.01775	$ 17.75	$ 177.46	
04/01/2016	210320	3697.73	$ 0.01758	$ 17.58	$ 175.81	
04/01/2016	209000	3666.25	$ 0.01754	$ 17.54	$ 175.42	
04/01/2016	168500	2791.99	$ 0.01657	$ 16.57	$ 165.70	
04/01/2016	160600	0.00	$ -	$ -	$ -	
04/01/2016	149850	2401.77	$ 0.01603	$ 16.03	$ 160.28	
04/01/2016	131000	2046.07	$ 0.01562	$ 15.62	$ 156.19	
04/01/2016	121500	3733.61	$ 0.03073	$ 30.73	$ 307.29	*Out of Town User
04/01/2016	116950	1780.95	$ 0.01523	$ 15.23	$ 152.28	
04/01/2016	116000	0.00	$ -	$ -	$ -	
04/01/2016	114000	1725.28	$ 0.01513	$ 15.13	$ 151.34	
04/01/2016	93300	0.00	$ -	$ -	$ -	
04/01/2016	91000	1309.99	$ 0.01440	$ 14.40	$ 143.95	
04/01/2016	90500	1301.60	$ 0.01438	$ 14.38	$ 143.82	
04/01/2016	86790	1239.30	$ 0.01428	$ 14.28	$ 142.79	
04/01/2016	86500	1234.44	$ 0.01427	$ 14.27	$ 142.71	
04/01/2016	86000	1226.04	$ 0.01426	$ 14.26	$ 142.56	
04/01/2016	85300	1214.29	$ 0.01424	$ 14.24	$ 142.36	
04/01/2016	80490	1133.53	$ 0.01408	$ 14.08	$ 140.83	
04/01/2016	77100	1076.61	$ 0.01396	$ 13.96	$ 139.64	
04/01/2016	75000	1041.35	$ 0.01388	$ 13.88	$ 138.85	
04/01/2016	74000	1024.56	$ 0.01385	$ 13.85	$ 138.45	
04/01/2016	69900	955.72	$ 0.01367	$ 13.67	$ 136.73	
04/01/2016	63600	849.94	$ 0.01336	$ 13.36	$ 133.64	
04/01/2016	63500	848.27	$ 0.01336	$ 13.36	$ 133.59	
04/01/2016	61000	1612.58	$ 0.02644	$ 26.44	$ 264.36	*Out of Town User
04/01/2016	58500	764.32	$ 0.01307	$ 13.07	$ 130.65	
04/01/2016	57500	747.53	$ 0.01300	$ 13.00	$ 130.01	
04/01/2016	57500	747.53	$ 0.01300	$ 13.00	$ 130.01	
04/01/2016	57000	739.13	$ 0.01297	$ 12.97	$ 129.67	
04/01/2016	56200	725.70	$ 0.01291	$ 12.91	$ 129.13	
04/01/2016	53550	681.20	$ 0.01272	$ 12.72	$ 127.21	
04/01/2016	52500	663.58	$ 0.01264	$ 12.64	$ 126.40	
04/01/2016	52350	661.06	$ 0.01263	$ 12.63	$ 126.28	
04/01/2016	52270	659.71	$ 0.01262	$ 12.62	$ 126.21	
04/01/2016	50340	627.31	$ 0.01246	$ 12.46	$ 124.61	
04/01/2016	50200	624.96	$ 0.01245	$ 12.45	$ 124.49	

ATTACHMENT 33

History of Charge Back

	water	sewer	TOTAL	
FY06	158,810	142,429	301,240	No charge back- only payroll splits
FY07	265,309	251,215	516,524	Salary splits for non-plant, charge back for maint dept
FY08	293,480	293,480	586,959	Salary splits for non-plant, charge back for maint dept
FY09	610,116	610,116	1,220,232	No salary splits for non-plant, all charge back
FY10	610,116	610,116	1,220,232	No salary splits for non-plant, all charge back
FY11	557,952	557,952	1,115,905	No salary splits for non-plant, all charge back
FY12	557,952	557,952	1,115,905	No salary splits for non-plant, all charge back
FY13	557,952	557,952	1,115,905	No salary splits for non-plant, all charge back
FY14	557,952	557,952	1,115,905	No salary splits for non-plant, all charge back
FY15	515,948	515,948	1,031,896	No salary splits for non-plant, all charge back
FY16	515,948	515,948	1,031,896	No salary splits for non-plant, all charge back
FY17 proposed	587,912	587,912	1,175,824	No salary splits for non-plant, all charge back

ATTACHMENT 34

Water Regulatory Requirement Costs

1989 Surface Treatment Rule & Amendments

Required to disconnect service lines associated with the raw water line. The town had provide alternative sources for these connections.

Estimated Total Cost: $125,000.00

1996- 2000 Hirst Reservoir Dam Mitigation and Improvements based on State Regulations of Class III Dam Spillway Improvements.

Estimated Total Cost: $193,093.86.

1998 Consumer Confidence Report & Amendments- The Consumer Confidence Report (CCR) is a document that provides consumers information about the quality of drinking water in an easy to read format. The CCR summarizes information that your water system already collects to comply with Federal and State regulations. It includes information about the source(s) of water used (i.e., rivers, lakes, reservoirs, or aquifers), chemical contaminants, bacteriological contaminants, compliance with drinking water rules, educational health information, water system contact information and public participation opportunities. The Commonwealth of Virginia requires every community public water system (PWS) to provide a CCR to their customers by July 1 of every year, which includes information from the previous calendar year.
Estimated Total Cost: $4,000 per year- recurring cost

1999-2000 Water Treatment plant adds third filter, generator, PLC and magnatrol installation in anticipation of 2002 Enhanced Surface Treatment Rule & 2001 Filter Backwash Rule as well as to provide additional capacity.
Engineering cost $67,685.33.
PLC and Magnatrols retrofit $72,059
New Filter: $123,680
Generator cost: $67,758.00
Estimated Total Cost: $331,182.33

2000 Lead & Cooper Rule. The rule requires systems to monitor drinking water at customer taps. If lead concentrations exceed an action level of 15 ppb or copper concentrations exceed an action level of 1.3 ppm in more than 10% of customer taps sampled, the system must undertake a number of additional actions to control corrosion. If the action level for lead is exceeded, the system must also inform the public about steps they should take to protect their health and may have to replace lead service lines under their control. The Town is required to

take 40 samples. Initially every six months after the first year, annual testing. In 2006, the Town filed for a waiver and it was granted to reduce the frequency to every three years.
Estimated Total Cost: Initial $2,000 per year, after waiver $2,000 every three years- recurring cost.

2001 Filter Backwash Rule- The Filter Backwash Recycling Rule (FBRR) addresses a statutory requirement of the 1996 Safe Drinking Water Act (SDWA) Amendments to promulgate a regulation which "governs" the recycling of filter backwash water within the treatment process of public water systems PWSs. This rule also set turbidity limits and treatment of discharge water linked to the VPDES permit.
Estimated Total cost: $12,000 plus $1,000 per year for chemical and testing

2002 Bioterrorism Act: requires water systems serving more than 3,300 persons to: Conduct a vulnerability assessment; Certify and submit a copy of the vulnerability assessment to EPA; Prepare or revise an emergency response plan based on the results of the vulnerability assessment; Certify to EPA that an emergency response plan has been completed or updated within 6 months of completing the assessment.
Vulnerabilty Assessment & Emergency Response Plan- submitted to regulatory agencies, security fencing around all facilities, redundancy of power. Estimated cost: $445,000.
Switch to Hypochlorite: Estimated cost $242,000.
Estimated Total Cost: $687,000

2003 Water Supply Plan- The Code of Virginia, as amended by Senate Bill 1221 in 2003 (Section 62.1-44.38:1) requires the development of a comprehensive statewide water supply planning process to (1) ensure that adequate and safe drinking water is available to all citizens of the Commonwealth, (2) encourage, promote, and protect all other beneficial uses of the commonwealth's water resources, and (3) encourage, promote, and develop incentives for alternative water sources, including, but not limited to desalinization. The regulation affecting the development of water supply plans in the Commonwealth is the Local and Regional Water Supply Planning Regulation (9VAC25-780), which became effective on November 2, 2005. The regulation requires that all counties, cities, and towns in the Commonwealth of Virginia submit a local water supply plan or participate in a regional planning unit in the submittal of a regional water supply plan to the State Water Control Board.

Estimated Total Cost: $120,000.

2006 Stage 2 D/DBP Rule- Drinking water supplies require disinfection to remove or inactivate microbial pathogens. Disinfectants can react with natural organic matter in the water to form by-products, like trihalomethanes, haloacetic acids, chlorite, and bromate. The Disinfectants and Disinfection Byproducts Rules (Stage 1 DBPR December 16, 1998, and Stage 2 DBPR, January 4, 2006,) aimed to reduce the potential risk of adverse health effects associated with disinfection byproducts (DBPs) throughout water distribution systems.

Stage 1 of the DBPR established MCLs for chlorine, chloramine, and chlorine dioxide. It also established MCLGs for total trihalomethanes, haloacetic acids, chlorite, and bromate. Stage 2 of the DPBR built upon Stage 1, by strengthening compliance monitoring requirements. The Stage 2 DBPR required some systems to complete an Initial Distribution System Evaluation (IDSE) to characterize DBP concentrations in their distribution systems and identify locations to monitor DBPs for Stage 2 compliance.

Stage 2 brought three significant changes the Stage 1 rule:

1. water systems choose monitoring locations based on monitoring data;
2. compliance determinations switched to locational running annual average calculations at each individual location; and
3. required consecutive systems that do not provide their own treatment but receive treated water from a supplying waterworks to comply with the rule.

One PT Maintenance Mechanic-($30,000)
Two more operator added - ($80,000)

Estimated Total Cost: $111,000 plus $1,000 per year-recurring

2006 Long Term 2 Enhanced Surface Water Treatment Rule & 2011 Enhanced Surface Water Treatment Rule Amendments- The IESWTR builds on the Surface Water Treatment Rule by adding protection from Cryptosporidium. The rule is designed to optimize treatment reliability and enhance physical removal efficiencies to minimize the Cryptosporidium levels in finished drinking water. The rule established a MCLG of zero for Cryptosporidium and requires 99 percent (2-log) removal requirements for systems that filter. Purcellville took several actions to guarantee full compliance with the rule. Some improvements were made previous to 2011 in anticipation of the upcoming rule changes:

Added chemical addition capabilities to the filter backwash process at the water plant
$9,000.00
Upgraded filter instrumentation to include continues monitoring and recording of data
$40,000.00
Third party calibration of compliance monitoring equipment-$14,000.00 annually
Ongoing third party water quality analysis-$12,000.00 annually
Added protective screening to the water plant 1MG tank- $15,000.00
Estimated Total Cost: $90,000

2007 Ground Water Treatment Rule- In January 2007, EPA Groundwater Rule became effective. The rule provides increased protection against microbial pathogens in public drinking water supplies that use groundwater sources. This rule requires groundwater systems that are at risk of fecal contamination to take corrective action to reduce cases of illness and deaths due to exposure to microbial pathogens. The rule uses the following four major components to determine groundwater is not at risk of fecal contamination:

1. Periodic sanitary surveys of groundwater systems that require the evaluation of eight critical elements and identification of significant deficiencies.
2. Source water monitoring to test for the presence of E. coli.
3. Corrective actions required for any waterworks with a significant deficiency or source water fecal contamination.
4. Compliance monitoring to ensure that treatment technologies installed to treat drinking water reliably achieves at least 99.99 perfect (4-log) inactivation or removal of viruses.

Enhanced monitoring equipment –($10,000)

Added 1 Maintenance Tech to full Time-($30,000)

Hirst Well Repairs- ($70,000)

Estimated Total Cost: $111,000 with $1000 per year recurring. Future costs could require $400,000 investments for each well treatment facility.

2013 Revised Total Coliform Rule. Waterworks in Virginia must begin complying with the requirements of the rule starting April 1, 2016. New provisions that take effect April 1, 2016 include:

Requires Level I and Level II Assessments and corrective action if the waterworks identifies a vulnerability to coliform.
Replaces TCR's acute MCL with an *E. coli* MCL.
Replaces TCR's total coliform MCL violations with total coliform treatment techniques requirements.
Revises Public Notice requirements for *E. coli* MCL violations.
Adds specific CCR language for waterworks conducting a Level I or Level II Assessment, or for incurring an *E. coli* MCL violation.
Existing TCR provisions that are retained include:
Monitoring for total coliforms and *E. coli.*
Following a written sample siting plan. This plan ensures samples are collected at locations representative of the entire distribution system. The plans are subject to state review and revisions
Testing ($1,000)
Added Lab Tech ($50,000)
Estimated Total Cost: $51,000 per year. Future costs unknown but may require upgrades at existing facilities.

Sewer Regulatory Requirement Costs

1995 Rejected WWTP Design by DEQ for anticipated new permit

Dewberry Designed facility was rejected based on forthcoming regulation requirements

Estimated Total Cost: $ 400,000.00

1999 New VPDES Permit Issued

Begin Design of new facility completed in 2002. -$832,416.40
TKN limits of 5.0mg/L were added at an annual cost estimate of $8,200.
One new operator added to staff for additional hours of operations. $40,000
Estimated Total Cost: $ 880,616.40

2001 Chesapeake Bay Water Quality Program Requirements - The Chesapeake Bay water quality program requires reductions in the amount of nutrient pollutants discharged from wastewater treatment facilities. This starts the process for the development of the new facility in 2002 and eventually the upgraded facilities in 2010. Cost displayed later.

2002 Revised Interim Permit – Issued to Town for new for 1.0 mg/d facility operations. New Limits for Total Nitrogen of 8.0mg/L and Total phosphorus of 1.5mg/L were added-
Construction cost: $8,175,245.60- 50% regulatory driven
Changes included Liquid hauling sludge for land application started with estimated cost of ($100,000) per year.
Additional testing included:
Fecal Coliform analysis started estimated annual cost ($5,000). Nutrient testing for Nitrites, Nitrates and Phosphorus with an estimated cost of ($17,000) per year.
Toxic Management Program testing was added for quarterly testing cost estimate at ($10,000.00) per year.
Metals analysis for sludge was added with an annual cost of ($1,000).
Total recoverable copper was added with an annual cost of ($75)
Operating hours changed from 8hrs 7days per week, to 10 hrs. M-F and 8hrs on weekends. ($30,000)
Added one operator and part time maintenance tech. ($80,000).
Estimated Total Cost: $ 8,418,320.60

2003 Capacity, Management, Operation, and Maintenance (CMOM) - The United States Environmental Protection Agency (USEPA) via 40 CFR 122.41-(2000) has implemented sanitary sewer overflow (SSO) regulations, which require municipalities to develop and implement a Capacity, Management, Operation and Maintenance (CMOM) program to eliminate any sewer overflows and back-ups from the wastewater collection systems. Issued consent decree by DEQ in 2003 to comply with reduction in I & I as well as expand plant capacity.
Estimated Total Cost: $2,426,335 over 10 year period

2005 New 5- year VPDES permit issued- A schedule of compliance plan that would involve an upgrade to the existing facility was required by DEQ to reduce Total Nitrogen and Phosphorus limits as set forth in the permit by 2009. New costs include:
E.coli testing was added to replace fecal coliforms. ($2,000)
Toxic Management Program reduced from quarterly to annually at a cost of ($2,500)
One more operator and Lab technician was added and changed status of maintenance tech to full time. ($120,000)
The State mandated all environmental labs to comply with VELAP regulations. ($18,000)
DCLS lab Certification was achieved with DEQ no longer inspecting lab operations. ($10,000)
Discussion for design started for upgrades to meet new Nitrogen and phosphorus limits for Total Nitrogen of 4.0mg/L and total Phosphorus of 0.3 mg/L.
Estimated Total Cost: $162,500.00 –recurring costs

2006 DEQ Notifies Municipalities & Authorities of VPDES changes: The state notified the Town that the renewal of the Town's National Pollutant Discharge Elimination System (NPDES) permit in 2010 includes a requirement that nutrient removal be performed using "State of the Art" technology and meet a waste load allocation (cap) for the nitrogen and phosphorous nutrients. Begins engineer design by CH2M Hill.
Estimated Total Cost for Regulatory compliance: $21,000,000 of total $30,200,000.

2008 – DEQ removes Consent Decree for effective measures in reducing I &I

2008- Biosolids Regulations – Requires testing, inspection, certification, nutrient management plan s for Biosolids disposal. Incorporated new solids handling facility with wastewater treatment expansion.
Estimated Total Cost: $1,200,000 not included in previous $21 M estimate.

2008: Facility was issued a State Air Pollution Control Board Air Permit on May 30, 2008 as part of the 9 VAC 5 Chapter 50 and 40 CFR 60, Subpart IIII, of the Clean Air Act. Requires the Town to test track and report generator emissions.
Estimated Total Cost: $5,000 per year

2010 New 5 year VPDES permit issued. Total Nitrogen Limit of 4.0mg/L and Total Phosphorus limit of 0.3mg/L were added.

New plant upgrades were complete and put on line. Modifications with additional cost include:
Operating hours changed from 10hrs m-f and 8hrs weekends to 12 hrs. M-F and 10hrs weekends with two operators on duty with one at 4hrs the other at 8 hours.-($40,000)
One more operator added for upgrade- ($60,000)
Started using new solids processing facility drying solids for land application with an annual cost of ($35,000.00).

New permit was issued for Storm Water Management of the facility solids monitoring, testing and reporting required with the permit.
Toxic Management Program continues with annual testing.
Dissolved copper and Hardness were added to the permit. ($2,000)
Estimated Total Cost: $127,000 per year

2015 New 5 Year VPDES permit issued. New testing requirements:
Toxic Management testing continues annually.
Added a limit for total recoverable Copper of 18ug/L-($3,000)
Added testing for Bis(2ethylhexyl)phthalate- ($1500)
A copper compliance schedule was added to achieve compliance with new limits. ($5,000)
Odor control plan to minimize bio-solids odors submitted to DEQ. ($8,000)
Storm water Permit was not renewed.
Added one lab tech- ($60,000)
Solids land application program continues.
Estimated Total Cost: $77,500 per year

Regulatory	Item	Itemized Cost
1990-93 VPDES	Dewberry Design rejected by DEQ	$ 400,000.00
1999_New VPDES Permit	Design of new facility	$ 832,416.40
	TKN limits of 5.0mg/L	$ 8,200.00
	New Operator	$ 40,000.00
	Total for 1999 VPDES	$ 880,616.40
2002 Revised Interim Permit	Construction New Facility	$ 8,175,245.60
	Liquid hauling sludge	
	Fecal Coliform analysis	
	Nitrates and Phosphorus	
	Toxic Management Program	
	Metal Analysis	
	Copper- recovered	
	1 -Operator	
	1 Maintenance Mechanic-PT	
	Operating hours expanded	
	Total for New Permit	$ 8,418,320.60
2003 CMOM Regulations	I & I Reduction Program	$ 2,426,335.00
	Total for CMOM	$ 2,426,335.00
2005 New VPDES permit	E.coli testing	
	Toxic Management Program	
	1 -Operator	
	1 -Lab Tech.	
	1 Maintenance Mechanic-PT	
	VELAP Regulations	
	DCLS Certifications	
	Total for New Permit	$ 162,500.00
2006 DEQ Notifies VPDES Changes		
	Design & Construction Upgrades	$ 29,000,000.00
	Total for Eng. & Construction	$ 29,000,000.00
2008- Biosolids Regulations	Design & Construction Upgrades	$ 1,200,000.00
	Total for Construction	$ 1,200,000.00
2008-APCB Air Permit	Track, Test, report emission	
	Total for New Permit	$ 5,000.00

2010 New 5 year VPDES permit	Operating hours expanded 1-Operator Land application with Testing Dissolved copper ***Total for New Permit***	$	127,000.00
2015 New 5 Year VPDES permit	New Copper limit Bis(2ethylhexyl)phthalate- copper compliance schedule Odor control plan 1- Lab Tech ***Total for New Permit***	$ $	8,000.00 77,500.00
	Total for 1999-2015		**Investments**
	Grand Total	$	42,697,272.00

% Regulatory Cost	Annual Recurring Costs	
100.00%		
50.00%		
	$	8,200.00
	$	40,000.00
	$	48,200.00
50.00%		
	$	100,000.00
	$	5,000.00
	$	17,000.00
	$	10,000.00
	$	1,000.00
	$	75.00
	$	50,000.00
	$	30,000.00
	$	30,000.00
	$	243,075.00
100.00%		
	$	2,000.00
	$	2,500.00
	$	50,000.00
	$	50,000.00
	$	30,000.00
	$	18,000.00
	$	10,000.00
100.00%	$	162,500.00
75.00%		
100.00%		
	$	5,000.00

$	30,000.00
$	60,000.00
$	35,000.00
$	2,000.00
$	127,000.00
$	3,000.00
$	1,500.00
$	5,000.00
$	60,000.00
$	69,500.00

Associated Reg. Cost	Recurring Cost
$ 30,797,803.50	$ 555,275.00

ATTACHMENT 35

	Project Name	Type of Connection	Estimated Meter size	Est. Purchase Year	Cost of Availability: Water	Cost of Availability: Sewer	meter fee	Community Development Notes
Projected FY16/17								
	Shea Warehouse	commercial	5/8"	FY16/17	$25,754	$21,600	$ 275	Not sure they will have a need for water and sewer
	Catoctin Corner	Fast Food	3/4"	FY16/17	$38,631	$32,400	$ 328	
	Catoctin Corner	Fast Food	3/4"	FY16/17	$38,631	$32,400	$ 328	
	Catoctin Corner	Doctor Office	3/4"	FY16/17	$38,631	$32,400	$ 328	
	Catoctin Corner	Retail	3/4"	FY16/17	$38,631	$32,400	$ 328	
commercial								
	O'Toole	Hotel	2"	FY16/17	$206,032	$172,800	$ 709	Not sure that they will use a 2"
	SFH infill residential	Residential	3 - 5/8"	FY16/17	$77,620	$64,800	$ 825	
	Mayfair	SFH	50- 5/8"	FY16/17	$1,287,700	$1,080,000	$ 13,750	
	Mayfair	Industrial	2 - 5/8"	FY16/17	$51,508	$43,200	$ 550	Plus $20,000 for upgrade to pump station
Residential	Village Case	Residential	6 - 5/8"	FY16/17	$154,524	$129,600	$ 1,650	Plus $20,000 for upgrade to pump station
				Total Availabitilities for FY16-17	$1,957,662	$1,641,600	$ 19,071	

	Current Availability Fees					
Meter Size	Water	Sewer	Meter Fee	Meter HP Fee	Meter T/F Comp.	
5/8"	$25,754	$21,600	$275			
3/4"	$38,631	$32,400	$328			
1"	$64,385	$54,000	$394			
1.5"	$128,770	$108,000	$564			
2"	$206,032	$172,800	$709	$ 944	$ 2,013	
3"	$386,310	$324,000		$ 1,469	$ 2,749	
4"	$643,850	$540,000		$ 2,281	$ 3,731	

ATTACHMENT 36

Comparison of the Water & Sewer Fees at Current Rates Based on Town's Average Use of 9,000 gallons

Town	Water Tiers	Water Rate /1000 gal	Sewer Tiers	Sewer Rate /1000 gal	Out of Town Water	Out of Town Sewer	Fixed fee Water	Fixed fee Sewer	9000 Gallons Water	9000 Gallons Sewer	Total Bill
Hamilton	1-8K	$5.60	1-8K	$7.65	$7.65	$7.65	$19.00	$13.00	$74.73	$83.27	
Hamilton	>8K	$12.50	>8K	$17.50	$14.00	$7.65			$13.50	$19.50	$223.00
Middleburg	1-2 K	$29.93	1-2 K	$30.83	$40.41	$40.79			$36.55	$37.10	
Middleburg	>2 K	$15.84	>2 K	$15.10	$23.69	$22.42			$147.51	$139.86	$361.02
Purcellville	1-5K	$6.16	1-5K	$13.78	$12.32	$27.56	$15.00	$15.00	$45.80	$139.02	
Purcellville	5-10K	$8.21	5-10K		$16.42				$32.84		$217.66
Berryville	1K or >	$8.40	1K or >	$17.00			$5.00	$15.00	$75.60	$153.00	$248.60
Round Hill	1K or >	$7.83	1K or >	$9.06	$11.74	$13.60			$100.73	$116.68	$217.41
Purcellville	1-5K	$6.34	1-5K	$15.19	$12.68	$30.38	$15.00	$15.00	$46.70	$151.71	
Purcellville	5-10K	$8.46	5-10K		$16.92				$33.84		$232.25

Existing Hamilton Rates
Existing Middleburg Rates
Existing Purcellville Rates
Existing Berryville Rates
Proposed Round Hill Rates
Proposed Purcellville Rates

Study Assumptions

- The financial plan analysis for the Town has been updated to include an increase in water and sewer rates in Fiscal Year 2017.

- Updated data has been taken into account, including:
  - FY 2017 proposed operating budget
  - FY 2017 proposed revenues
  - Most recent capital improvement plan
  - Most recently available consumption data (through February 2016 billing cycle)

- Baseline scenario includes no development beyond the Mayfair connections

- Four additional scenarios considered:
  - Additional connections from Kline only
  - Additional connections from Warner Brook only
  - Additional connections from Kline and Warner Brook
  - "Structural Balance" – How many connections per year (after Mayfair ends in FY 20) does the system need to maintain its cash balance with 3% user rate increases per year?

Water CIP Projects Funded

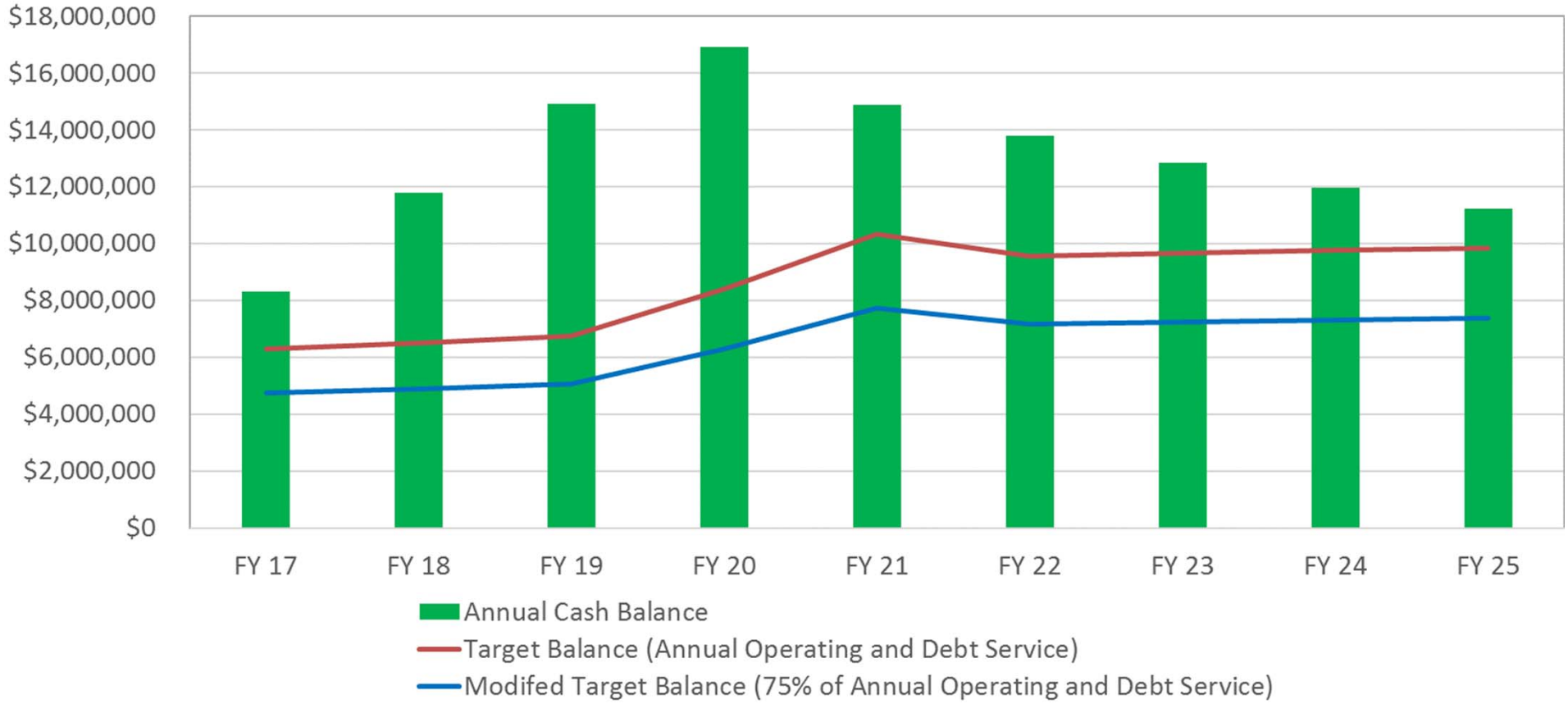
	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Jefferies Well Development	-	-	-	-	$2,500,000	-
Tank Painting	$300,000	-	-	-	-	-
New Elevated Water Tank	-	-	-	-	$95,000	$2,515,000
N Maple Avenue Waterline	-	-	$677,000	-	-	-
Hirst Reservoir	-	-	$265,000	-	-	-
"A" Street Water Loop	-	-	-	-	-	$107,000
Holly Lane Water Main	-	-	$175,000	-	-	-
Allder School Road Water Main	-	-	$25,000	$350,000	-	-
LVSC Water Main Replacement	-	-	-	$153,000	-	-
Reprogram PLC at Wells	-	$94,000	-	-	-	-
Water Plant Improvements	-	-	$485,000	$672,500	-	-
12th Street Water Main Replacement	-	-	$64,062	$290,120	-	-
Total CIP Spending	**$300,000**	**$94,000**	**$1,691,062**	**$1,465,620**	**$2,595,000**	**$2,622,000**
Cash Funded	$300,000	$94,000	-	-	-	-
Debt Funded	-	-	$1,691,062	$1,465,620	$2,595,000	$2,622,000

Sewer CIP Projects Funded

	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
West End Pump Station Construction	-	-	$300,000	$300,000	-	-
Replace Membranes	-	-	-	$1,000,000	$1,000,000	-
East End Generator	$200,000	-	-	-	-	-
Total CIP Spending	**$200,000**	**$ -**	**$300,000**	**$1,300,000**	**$1,000,000**	**$ -**
Cash Funded	$200,000	-	-	-	-	-
Debt Funded	-	-	$300,000	$1,300,000	$1,000,000	-

COMBINED Water and Sewer Fund

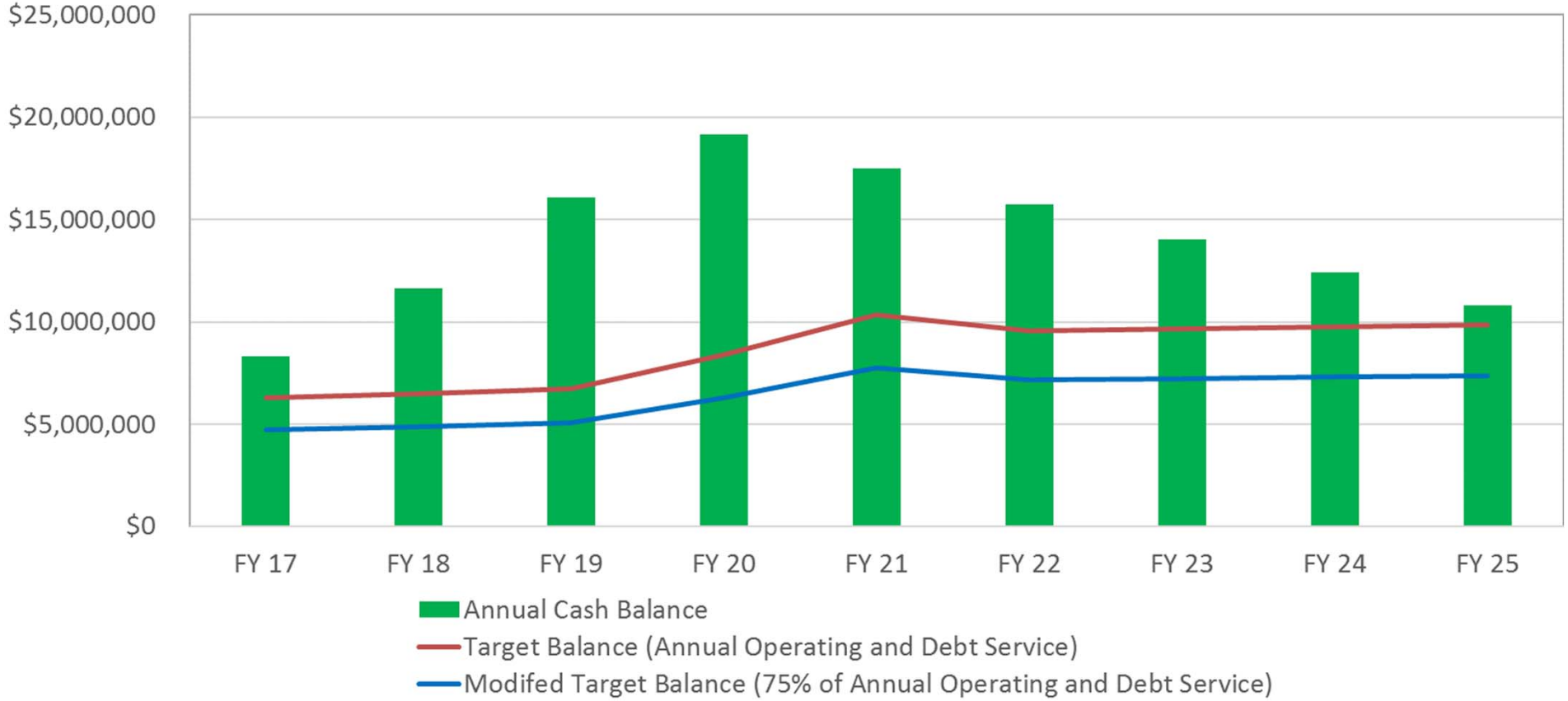
Cash Balance – Mayfair Only



	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Annual New Connections	70	76	60	57	0	0
Fixed Charge	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00
Water Rate Increase	3.0%	7.0%	7.0%	7.0%	7.0%	3.0%
Sewer Rate Increase	5.0%	7.0%	7.0%	7.0%	7.0%	3.0%
Monthly Bill (4,600 gallons)	$119	$126	$134	$142	$151	$155

COMBINED Water and Sewer Fund

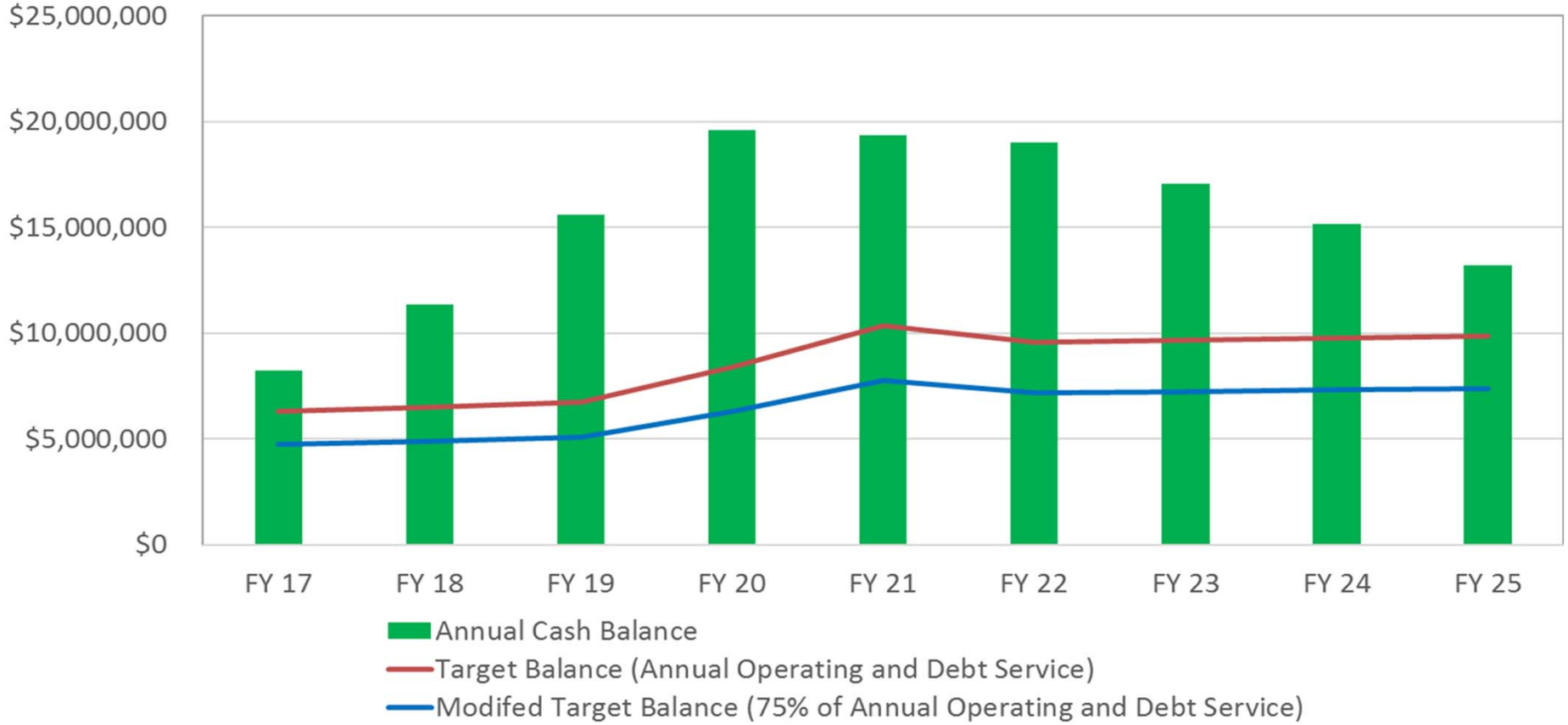
With Kline Connections



	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Annual New Connections	70	76	95	92	22	0
Fixed Charge	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00
Water Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sewer Rate Increase	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Monthly Bill (4,600 gallons)	$119	$122	$125	$128	$132	$135

COMBINED Water and Sewer Fund

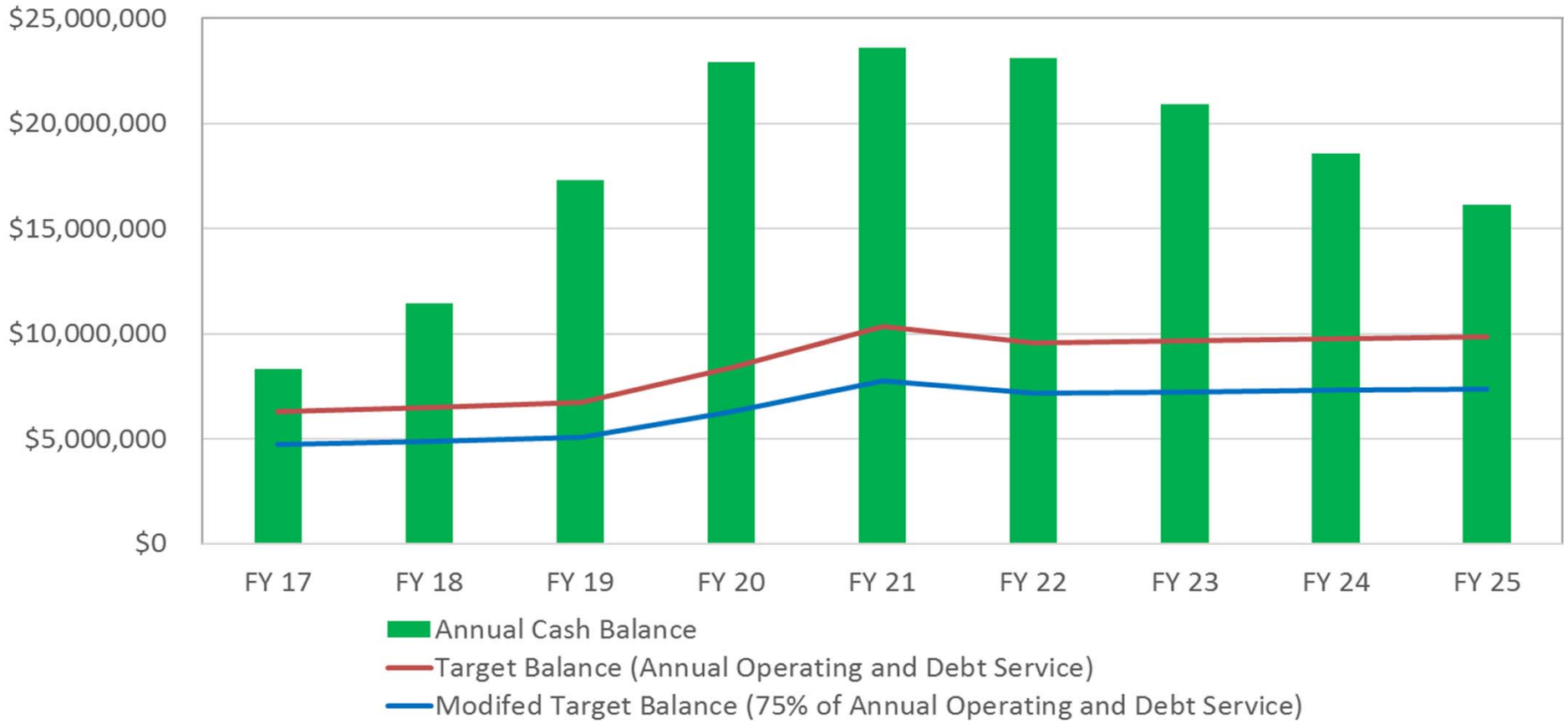
With Warner Brook Connections



	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Annual New Connections	70	76	93	114	56	35
Fixed Charge	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00
Water Rate Increase	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Sewer Rate Increase	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Monthly Bill (4,600 gallons)	$119	$121	$123	$125	$127	$129

COMBINED Water and Sewer Fund

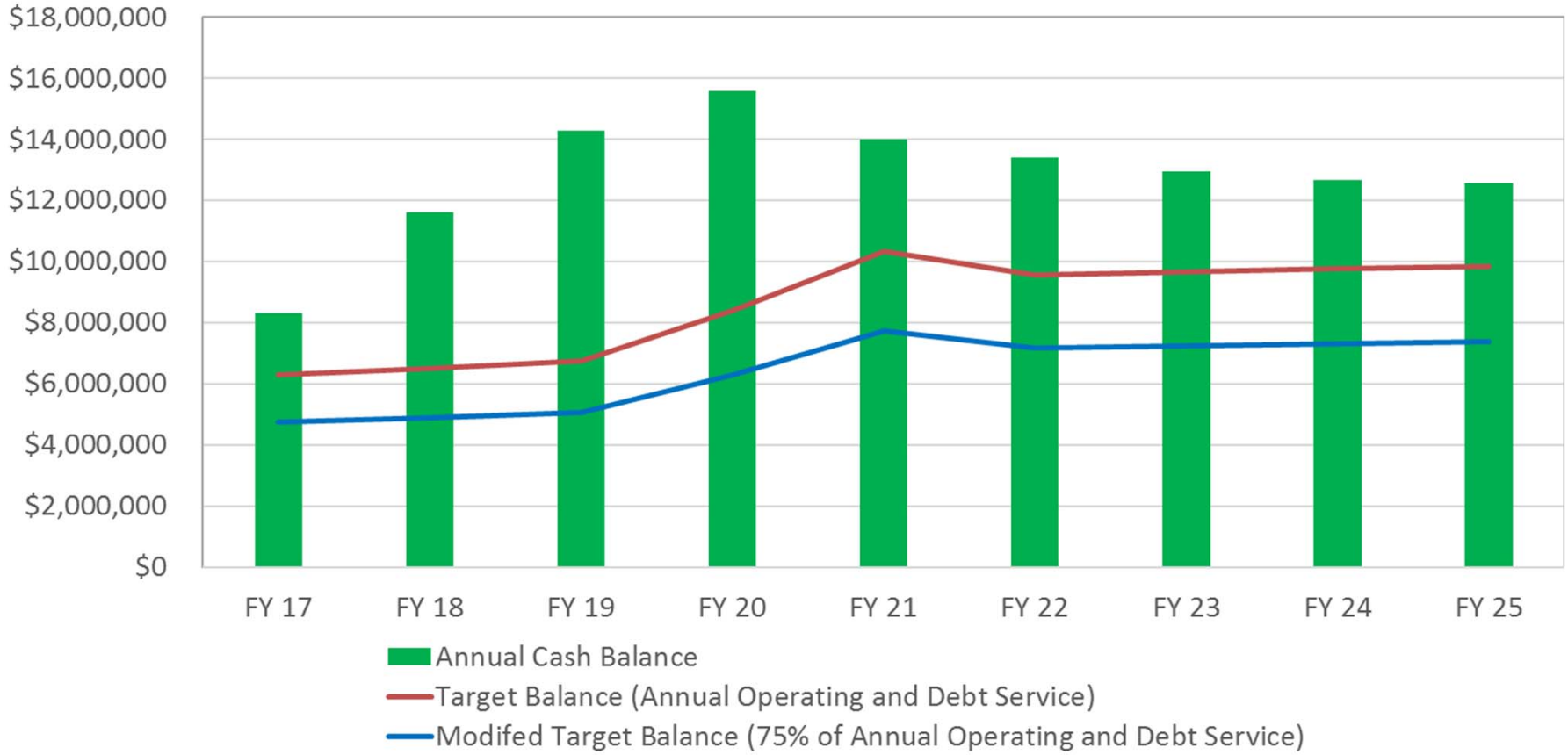
With Kline and Warner Brook Connections



	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Annual New Connections	70	76	128	149	78	35
Fixed Charge	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00
Water Rate Increase	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sewer Rate Increase	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Monthly Bill (4,600 gallons)	$119	$119	$119	$119	$119	$119

COMBINED Water and Sewer Fund

With 30 Connections per year beginning after Mayfair (FY 21)



	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Annual New Connections	70	76	60	57	30	30
Fixed Charge	$15.00	$15.00	$15.00	$15.00	$15.00	$15.00
Water Rate Increase	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Sewer Rate Increase	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Monthly Bill (4,600 gallons)	$119	$122	$125	$128	$132	$135

ATTACHMENT 38

Krens, Liz

From: Matthew McLearen <mmclearen@rfca.com>
Sent: Tuesday, May 31, 2016 3:01 PM
To: Krens, Liz
Subject: meals tax revenue

Categories: Follow up

Dear Liz,
I have researched the laws and best practices for reporting meals tax revenue by a local government and more specifically if meals tax revenue can be reported as revenue directly in a water and sewer fund.
After a brief search of the Code of Virginia, I did not find any legal restrictions of reporting meals tax revenue in a water and/or sewer fund. However, I do recommend and ultimately defer to the opinion of the Town attorney on the legality of this matter.

My findings for best practices are as follows:

1. After an examination of approximately 12-15 local government financial statements I did not note any localities reporting meals tax revenue in the water and sewer funds. Further, I inquired of 3 other audit partners and received no indication that they have experience auditing localities that report meals tax revenue in a water and/or sewer fund.
2. My inquiries of others indicated that meals tax revenue is received and reported in a general fund or special revenue fund (which is another governmental type fund). However, I did receive several responses that indicated that the localities have internally discussed/disclosed to use a portion of the meals tax revenue to pay long-term debts of the government including those debts incurred by the water and sewer funds. However, for accounting and reporting purposes the meals tax revenue is not reported in the water and/or sewer funds.

The Governmental Accounting Standards Board "GASB" is the oversight agency for governmental accounting and financial reporting standards. GASB defines the funds used by governments to report their revenue and expenditures. Governments have three distinct categories of fund accounting; 1) Governmental 2) Proprietary and 3) Fiduciary. Governmental funds include funds such as the general fund, special revenue funds and capital project funds. Proprietary funds include a subset of funds called enterprise funds. Enterprise funds include water and sewer funds and any other utility type funds. Fiduciary funds are specifically designed to fiscal agency or trust type activities.

GASB defines governmental funds as "funds used to account for activities primarily supported by taxes, grants, and similar revenue sources". GASB defines proprietary/enterprise funds as "funds used to account for activities that receive significant support from fees and charges". Proprietary funds are also called "Business-Type Activities" and are intended to be self-supporting and operate in a manner similar to for-profit type of entity by charging users a fee or rate based on each individual's consumption of the service. GASB states that proprietary fund activities are financed in whole or in part by fees charged to external parties for goods or services. An additional distinction between governmental and proprietary type funds is the basis of accounting used. Governmental funds are reported on the modified accrual basis of accounting and proprietary funds are reported on the full accrual basis of accounting. Typically tax revenue is reported on the modified accrual basis of accounting.

The Virginia Auditor of Public Accounts ("APA") is the state oversight agency for local and state government accounting and financial reporting. Annually, every locality in Virginia with population greater than 3500 is required to report to the APA the results of their audit and summarize the financial activities using the APA required format of the *Comparative Cost Report*. I have copied below an excerpt from the APA's *Uniform Financial Reporting Manual* providing specific guidance for reporting enterprise/proprietary type funds. The APA also provides a definition of enterprise funds.

ENTERPRISE FUNDS

Enterprise funds should be used to account for operations supported by user charges that are financed and operated in a manner similar to private business enterprises. Enterprise funds are also appropriate where the governing body determines that public policy, management control, and accountability warrant their use. *For the comparative report, only the following activities are reported as enterprise activities:*

- Water Utilities - Sewer Utilities - Electric - Gas Utilities - Parking Facilities - Public Transportation - Steam Plants	- Airports - Hospitals - Nursing Homes - Ports - Coliseums (including stadiums and arenas) - Communication Services (including telephone, internet, and cable)

Individual local governments may establish enterprise funds for other activities such as landfills and golf courses; however, *for the comparative report, local governments must classify all activities other than those listed above as general govemment.*

In conclusion, I recommend the Town confirm the legality of meals tax reporting with the Town attorney. In my opinion the best practice in accounting for meals tax revenue is to report the tax in a general fund which is consistent with other Virginia localities and is appropriate accounting based on definitions and guidelines as outlined by GASB and APA.

Contact me with any questions.

-Matt

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ATTACHMENT 39

Hyder/MFSG's detailed response 6/15/15- Town of Purcellville Water and Sewer Funds

What accounting or usage data do you need to analyze the Town's user fees and recommend water and sewer rates? - To calculate separate water and sewer rates ideally we have an accounting of actual expenses and budgets by service type. It is possible to make some assumptions related to the total expenses (i.e. 40% are water / 60% are sewer) if funds are not split but this does not provide the same level of accuracy in rate determination. Metered water use is used for billing the water and sewer variable charges. To account for the fixed charges we maintain the number of water and sewer customers separately (both inside and outside the Town).

Do you need separate data for water and sewer activities? - I believe it is in the best interest of the Town to maintain separate data so that water and sewer rates can be calculated with a reasonable level of precision, otherwise blanket assumptions would need to be made.

Are there legal requirements that dictate the manner in which utility rates are set? If so, please site the code sections? I do not believe there are actual sections of the VA code that stipulate how water and sewer rates must be set for municipalities. The VA Authorities Act does provide guidance (section 15.2-5136. Rates and charges), however I don't believe this applies to Towns and Cities. In general, based on case law the overachieving guidelines have been that rates must not be arbitrary and capricious. There must be a rational basis for the charges. Under this guidance it would be possible to set rates with one fund as long as there was a realistic and rational basis used to split the total costs into water and sewer so that the rates can be calculated. However combining the funds into one opens up the door for potential challenges, particularly if the Town serves customers that receive only water or only sewer service.

What specific accounting or usage data do you need to recommend user fees or availability fees? Availability fees are based on capital costs, so the book value of water system assets and book value of sewer system assets would be used along with current and projected capital improvement plans. It would be important to maintain separate accounting of water and sewer assets and capital plans for the determination of availability fees.

Can this data be combined or does it need to be collected specific to water or sewer activities? I believe it would be in the best interest of the Town to track water and sewer activities separately for the purposes of availability fees. There must be a rational nexus between the availability fee charged and the service provided. If there is ever an instance were a new customer only has to pay for water or sewer availability fees they could challenge that they are overpaying if the basis for the fees cannot be provided clearly.

Do you need a separate accounting of debt service for water and sewer related projects to set either user and/or availability rates? Yes in both instances to defend the user rates and availability fees it would be beneficial to have both water and sewer debt service broken out. If it is not some assumption would need to be made regarding a split so that the rates and fees could be calculated.

Can cash reserves collected from specific water or sewer availability payments be used to support the activities of either funds? In other words, can reserves collected from availability fees be used to pay for debt associated with either fund? - We tend to take a pretty conservative view on this one. Since an availability fee is a form an impact fee, case law has shown that there needs to be a direct relationship between the fee and the benefit provided to the individual paying the fee. As such, if a customer paid a certain amount in water availability fees and they were used to retire sewer system debt they could argue that their funds were not used to appropriately. While this is most likely a long shot it would open the Town up to the potential for challenge.

Are you aware of any lenders that require a separate accounting for water and sewer activities? No I am not. From a rating agency and lenders perspective I don't believe they really care as long as revenues are sufficient in total to meet any coverage requirements. They will typically look at it as one system.

To set separate rates for water and sewer service, we would have to have some means to allocate costs between the two systems? The alternative would be to charge one rate for water and sewer service which I believe would cause all kinds of problems. Last thought is that the Town has an aggressive water conservation rate structure. In the long run the goal is to get customers to conserve water so that you can keep your water system costs under control (i.e. there is a direct link between the water rates and the water system costs). If you combined the systems the water rate structure could potentially be harder to defend. As the Town's rate consultants we would strongly recommend that the Town continue to track and account for the water and sewer systems separately.