***REVISED* AGENDA**
TOWN COUNCIL SPECIAL MEETING/BUDGET WORK SESSION
WEDNESDAY, JUNE 5, 2019, 6:30 PM
TOWN HALL COUNCIL CHAMBERS

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1. **CALL TO ORDER OF SPECIAL MEETING / BUDGET WORK SESSION** *(Mayor Fraser)*
2. **PLEDGE OF ALLEGIANCE**
3. **INVOCATION**
4. **FY20 BUDGET CHANGES** *(Adoption scheduled June 11, 2019) (pgs. 3-24)*
5. **LONG-TERM FINANCIAL PLANNING PRESENTATION BY THE TOWN'S FINANCIAL ADVISORS** *(Davenport and Stantec)*
   a. Comparative Survey *(pgs. 25-32)*
   b. Modeling *(pgs. 33-78)*
6. **TOWN COUNCIL QUESTIONS/COMMENTS**
7. **DISCUSS ADDITIONAL BUDGET WORK SESSION, IF NEEDED**
8. **ADJOURNMENT**

*Roll Call Votes

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STAFF REPORT
INFORMATION

Item #4

SUBJECT: FY20 Budget Changes
(Adoption Scheduled June 11, 2019)

DATE OF MEETING: June 5, 2020

STAFF CONTACTS: David Mekarski, Town Manager
Elizabeth Krens, Director of Finance
Tom Angus, Budget Specialist

SUMMARY and RECOMMENDATIONS:

As we enter into the final work session to deliberate the FY20 budget, this informational report provides an overview of recommended budgetary changes based on Council direction in prior work sessions and meetings with individual members. Town Council is scheduled to take action to adopt the FY20 budget during next week's June 11th Council meeting.

ISSUES:

The following information provides an overview of changes and additional information on topical questions received from Council.

A) Accrual Basis of Reporting in the Enterprise Fund

Under generally accepted accounting principles (GAAP), municipal enterprise funds (Town's Water and Wastewater Funds) are required to prepare financial reports on the accrual basis of accounting. In the past, staff also prepared Utility Fund budgets on the accrual basis, consistent with financial reporting standards. As a result, the debt related expenses projected in the utility budgets include *depreciation* (annual amortization of asset costs over the useful life of the asset) and interest expense. A cash basis presentation would present actual *debt service* payments (cash outflows) of principal and interest.

While the accrual basis of accounting provides the best alignment between the Town's budget and financial report (CAFR), it does not fully reflect the actual debt related cash flows in the Utility Funds. This difference is largely due to the restructuring of utility debt in 2013 and 2017 for cash flow savings. In the early years following the debt restructuring, the Town paid very little principal

resulting in lower cash outflows. In out years, the Town will need to "catch up" on principal payments resulting in higher cash outflows.

As seen in the chart below, the choice of accounting basis results in significant budgetary differences for debt related costs. In FY20, both Water and Wastewater debt related cash flows are actually less than accrual based budget projections:

- Water- cash flow is $90,431 less than original budget projections
- Wastewater- cash flow is $560,916 less than original budget projections

FY20 Water Debt	**ACCRUAL BASIS**	**CASH BASIS**
Depreciation/Debt Service	345,931	255,500
Interest	285,703	285,703
Total WF Debt	**631,634**	**541,203**
*****Cash Difference $90,431*****		

FY20 Wastewater Debt	**ACCRUAL BASIS**	**CASH BASIS**
Depreciation/Debt Service	703,916	143,000
Interest	1,017,969	1,017,969
Total WWF Debt	**1,721,885**	**1,160,969**
*****Cash Difference $560,916*****		

In future years, this relationship will flip and cash flows will be greater than accrual based budget projections. To avoid the wide differences between the accrual and cash basis of accounting and better reflect true cash needs and impacts to reserves, staff recommends modifying the basis used for the utility budget to reflect true debt related cash outflows. This will be particularly important in future years as cash needs for debt service will be greater than depreciation. We will update the basis of budget chart in the budget book to document this modification.

** This modification will reduce the FY20 budget for debt related expenses in the Water Fund by $90,431 and Wastewater Fund by $560,916 and will better reflect impacts to cash reserves.

B) <u>Capital Improvement Program (CIP) Funding</u>

The Town currently budgets seven different funds:

1) General Fund operating budget
2) Parks and Rec operating budget (sub-fund of GF)
3) General CIP budget
4) Water Fund operating budget
5) Water CIP budget
6) Wastewater Fund operating budget
7) Wastewater CIP budget

Funding for CIP projects can come from internal and external funding sources.

<u>General CIP Funding Sources</u>:

- **VDOT Revenue Sharing Agreements** (PW submits funding support requests for specific projects; typically requires 50% match)
- **NVTA** (PW submits funding support requests to Loudoun County, agency responsible for managing projects within our area; Note: these special sales tax proceeds are under State control and effective July 1, 2018, some funding was redirected to Metrorail funding reducing the Town's funding levels by approximately $50k per year; staff often leverages this state funding as a VDOT match; Attachment 4 & 5)
- **Proffers** (development agreements often restrict use; Attachment 6)
- **Loudoun County School Settlement** (agreement restricts use for transportation purposes; remaining proceeds have been allocated to Hirst Rd. project)
- **Loudoun County Support** (PW submits project funding requests via County's CIP process; once approved, CIP plan tracks these special funding agreements)
- **Grants** (agreement may require match)
- **New Debt Issuance** (bonds)
- **General Unassigned Fund Balance or Cash** (reserves in excess of policy)

<u>Water CIP Funding Sources</u>:

- **New Debt Issuance** (bonds)
- **Water Cash** (reserves in excess of policy)

<u>Wastewater CIP Funding Sources</u>:

- **New Debt Issuance** (bonds)
- **Wastewater Cash** (reserves in excess of policy)

It is important to understand how staff leverages these capital funding sources. For example, VDOT, NVTA, County support, proffers and grants are external funding sources *restricted* to specific projects approved by the funding agency. Deferral of projects supported by these external sources will not reduce the operating budget and may in fact create repercussions with the granting agency. Conversely, deferral of cash or bond funded projects will provide a savings as these are internal sources.

As many General Fund projects are transportation related, staff has worked to leverage external funding sources whereby NVTA, proffers, County settlement and support are deployed to match VDOT funding. Deferral of these projects provides no savings as they are supported by "other people's money" rather than internal sources. However, cash or bond funded projects such as the Police Station and future Park & Rec initiatives will provide savings.

Furthermore, many funding sources may not be diverted to other funds as use is restricted by agreements with the funding agencies or development agreements: VDOT, NVTA, proffers, grants, County settlement and support.

For example, the Hatcher Avenue Sidewalk Improvement CIP project, totaling $620,000, started in FY19 with VDOT providing approximately 43 percent of the funding to be spread over FY19 and FY20. The Town is using NVTA and proffer funding to pay the remaining 57 percent of project costs, the Town's match under terms of the VDOT agreement. The NVTA funding and some of the proffer funding is only eligible for transportation purposes and may not be diverted to other uses. Furthermore, reassignment of these matching funds may adversely impact the VDOT agreement and requiring the Town to repay VDOT for funds expended in FY19 for engineering and design.

Another consideration for capital project funding is debt versus cash funding decisions, especially for large projects where external support is unavailable. Cash reserve levels should be strategically managed as they are a critical component of the organization's credit rating score. Furthermore, debt can be beneficial as it extends payment terms allowing capital costs to be more closely matched with the useful life of asset. This allows current revenues (taxes or user fees) to support the current costs associated with an asset's use. Staff works closely with our financial advisor, Davenport, to strategically time debt issuances to optimize credit markets and moderate administrative issuance costs.

** In summary, deferral of capital projects does not always result in savings. Also, many capital funding sources are restricted to specific uses and may not be reassigned.

C) <u>Deferment Police Station GF CIP Project</u>

In the proposed FY20 budget, the General Fund operating budget used $1.2 million in cash reserves to initiate the start of the Police Station CIP project. The funding plan was based on an aggressive time schedule to secure the land or facility and then start buildout within 2 years. Council is now considering leasing options, allowing the project plan to be extended by 5 years. This will allow the FY20 CIP to be reduced from $1.2 million to $200,000 to fund site analysis, engineering and design.

** This new option will reduce the General Fund's FY20 CIP budget and return $1,000,000 to General Fund's reserves.

D) Deferment of East End Pump Station WW CIP Project

The East End Pump Station project, totaling $1.566 million, proposes use of $125,000 in Wastewater cash reserves in FY20. This multi-year project is scheduled to be completed in 2023. This project is critical to managing current and future effluent flows in the east end of Town, a busy business and multi-family residential area. While staff believes there is some risk in delaying the start of this project, the risk of a 1 year deferral is acceptable. This deferment will extend the project schedule through FY24.

** This schedule change will reduce the FY20 CIP budget and return $125,000 to Wastewater fund reserves.

E) Cell Tower WW CIP Project Savings (FY19)

Council's decision to work through a third-party vendor for the cell tower construction will result in budget savings. Staff will submit a year-end budget amendment at the June 11th Council meeting to defund $280,000 budgeted in FY19 for the cell tower.

** This modification will reduce the FY19 CIP and return $280,000 to Wastewater fund reserves.

F) Wastewater Operating Reductions

Staff reviewed operational budget expenses within the Wastewater proposed budget and found $60,000 in FY20 budgetary savings. Specifically, work started in FY19 can be used to bridge the FY20 Sanitary Sewer Model Update study and professional services, a savings of $41,000 in the Wastewater Fund's Plant – Other cost center. Further, staff recommends a reduction in the Town Manager contingency by $19,000 that still provides $56,000 for unexpected contingency items.

** The change in study, professional services and contingency budgets will reduce the FY20 budget and return $60,000 Wastewater fund reserves.

G) Leased Vehicle Acquisition Changes

In FY19, the Town started replacing its fleet vehicles through leasing instead of purchasing that resulted in lower budgeted maintenance costs and reduce staff time related to vehicle acquisition / delivery, equipment installation, and vehicle disposal. In the FY20 proposed budget, Departments planned to replace 17 vehicles. Out of the 42 vehicles in the Town's fleet, 36 are non-specialty vehicles that can be leased from Enterprise and eventually represent a $32,580 annual budget reduction in vehicle maintenance costs. (The Town-wide vehicle maintenance budget was $69,200 before FY19.)

While the leased vehicle cost is initially lower than purchasing and the Town receives a one-time revenue in disposing the currently owned vehicle, the future year lease payments represent a fixed cost where future year budget flexibility becomes more difficult. For example, the FY20 proposed budget provided to replace all existing fleet non-specialty vehicles by FY23 to maximize the maintenance savings.

Based on FY 2021 budget projections for potential revenue shortfalls in the Utility Funds and the need for possible General Fund revenues to assist in bridging the shortfalls, the leased vehicle replacement schedule has been reduced in order to defer the annual net fixed cost level of $300,000 until FY 2028. Though this slows the impacts in out years, it does result in a slight net increase in FY20 General Fund vehicle lease program costs of about $4,000 due to reduced revenues from sale of existing vehicles (proceeds in property). The Water fund will see a net savings in program costs in FY20.

** While slowing the lease vehicle replacement schedule provides budgetary savings in out years, the net program costs in the General Fund will increase slightly in FY20 due to reductions in sale of existing vehicles (proceeds from property). The net program costs in the Water fund will be reduced in FY20.

H) <u>State Highway Maintenance Funding Carryover from FY18</u>

The Town receives State highway maintenance funding of approximately $650,000 to $700,000 per year budgeted as General Fund revenues. The Town is required by code to report annual expenditures to VDOT in order to demonstrate proper use of State funding. The Town's response to the FY18 Weldon Cooper Highway Finance Survey completed in March 2019 showed Public Works did not fully spend the proceeds in FY18 and prior years. To avoid repayment, Public Works has requested and received approval from VDOT to carryover $364,998 in unspent funds for future use.

Upon receiving this information, Finance "restricted" the unsent State highway funds in the FY18 financial reports. Restricted funds are not included in the General Fund's Unassigned Fund Balance.

To avoid repayment and to ensure proper use of these restricted funds, staff recommends amending the proposed FY20 budget to allocate the entire carryover amount of $364,998 to the Streets – State cost center within the Public Works section of the General Fund budget. Going forward, the Town Manager has directed Public Work to develop annual spending plans to ensure timely use of State highway funding.

** Amend proposed General Fund FY20 budget to allocate $364,998 to Public Works Streets – State cost center. There is no budgetary impact as these funds are currently held in restricted cash reserves and can only be used for maintenance of VDOT eligible roads within Town limits.

I) Lapsed Salary and Unspent Appropriations in the FY19 General Fund

During the course of a year, the Town may experience budgetary savings in salary and benefit accounts as a result of employee separation, retirement, or unpaid leave of absence. The lapsed salary/benefit amount will depend on a number of factors based on final payout to employee for accumulated leave, departmental overtime incurred as result of the staff shortages, the timing gap between departures and hiring, and new hire's pay differential.

Giving the Town's relatively small size, salary lapse has not been consistent year-to-year largely due to turn-over rates and unfilled positions. In FY18 and FY19 that lapse has been lower due to large leave payouts to departing employees. Staffing shortages, especially in the Police Department, and additional work associated with the FY18 leadership transition increased Town staff's leave balances.

Finance and Human Resources staff reviewed the FY19 salary lapse as of the end of April and estimates a 98.6% lapse rate (savings of $90,580 in General Fund and $134,235 overall). Most of this lapse was found to be associated with health benefit savings as new or open positions are budgeted for family health, a conservative budget practice.

The FY20 budget has been modified to account for the General Fund salary lapse rate of 98.6% or $98,000 (rounded). The changes include reductions to the General Fund departments with the largest staffing (Police staff reduction of $49,000; PW Maintenance staff reduction of $49,000). These reductions support a Transfer to the Parks & Rec fund of $50,000 (staff enhancements), an increase in the General Fund's Council consultant category of $36,700 (see item J) and vehicle lease cost differentials (see item G) .

** Amend proposed General Fund FY20 Budget to apply estimated lapse salary savings of $98,000 toward Park & Rec fund staffing, Council consultant and vehicle lease costs.

J) Consultant to the Council

During budget team sessions with individual Council members, the addition of a consultant to support Council was suggested. The consultant would work as a liaison between Council and staff to track the inquiries, prioritize projects, research the information, contact other municipalities and organizations to determine best practices, and coordinate with staff. Ultimately, the consultant would improve responsiveness, project planning, and free up management staff to focus on departmental priorities. Funding for this new enhancement is supported by salary lapse estimates (see item I).

** This new budget enhancement would increase the General Fund FY20 budget by adding $36,700 to Council's consultant line item. We expect that level of funding will provide the consultant approximately 400-500 hours per year to assist in this effort.

K) Carryover of FY19 Operating Funds for Special Projects

As it is expected that some large projects budgeted in FY19 will continue into FY20, the budget adoption resolution will include a carryover provision for:

- Class & Compensation Study (Administration)
- Open Finance Software (Administration)
- Comp Plan (Community Development)
- Zoning Business Process Assessment (Community Development)
- Crane Truck (Wastewater)

BUDGET IMPACT:

The "Summary of Changes to the FY 2020 Budget" (Attachment 1) details the changes made during the budget process. As a result of these changes, the FY20 Operating and Capital Budget will be reduced by the following amounts:

General Fund	<$700,802> reduction
Park & Rec Fund	no change
General CIP Fund	<$1,000,000> reduction
Water Fund	<$9,400> reduction
Water CIP Fund	no change
Wastewater Fund	<$745,916> reduction
Wastewater CIP Fund	<$125,000> reduction
Total FY20 Budget	<$2,581,118> reduction

Other FY20 Budget details are attached: "Summary of Operating Revenues (Attachment 2) and "Operating Budget Expenditures by Cost Centers" (Attachment 3).

COUNCIL DISCUSSION & DIRECTION:

Staff will prepare the June 11, 2019 staff report and resolution to adopt the FY20 budget based on these changes unless alternate direction is provided by Town Council during tonight's meeting.

ATTACHMENT(S):

1. Summary of Changes to the FY 2020 Budget
2. Summary of Operating Revenues
3. Operating Budget Expenditures by Cost Centers
4. FY19 & FY20 NVTA Funding Memo from Loudoun County
5. NVTA Project Allocation Summary
6. Proffer Allocation Summary

SUMMARY OF CHANGES TO THE FY 2020 BUDGET (Draft)
June 11, 2019

Operating Budget Revenues			Town Manager Budget	Town Council Changes	Net Difference to TM Budget	See Staff Report for explanation
Fund	**Account #**	**Account Title**				
GF	10300000-318905	Proceeds from Property	$95,900	$30,100	($65,800)	**G**
GF	10300000-398100	Transfer of Cash Reserves	$1,333,000	$333,000	($1,000,000)	**C**
GF	10300000-398100	Transfer of Restricted Reserves	$0	$364,998	$364,998	**H**
TOTAL GF REVENUE CHANGES			**$1,428,900**	**$728,098**	**($700,802)**	
PR	20310000-399100	Transfer of Cash Reserves	$50,000	$0	($50,000)	**I**
PR	20310000-399200	Transfers from Other Funds	$0	$50,000	$50,000	**I**
TOTAL PR REVENUE CHANGES			**$50,000**	**$50,000**	**$0**	
WF	52360000-385200	Proceeds from Property	$9,400	$0	($9,400)	**G**
TOTAL WF REVENUE CHANGES			**$9,400**	**$0**	**($9,400)**	
WWF	52360000-398502	Transfer of Cash Reserves	$1,395,020	$649,104	($745,916)	**A/D/F**
TOTAL WWF REVENUE CHANGES			**$1,395,020**	**$649,104**	**($745,916)**	

TOTAL REVENUE CHANGES - ALL FUNDS	*$2,883,320*	*$1,427,202*	*($1,456,118)*

Operating Budget Expenditures			Town Manager Budget	Town Council Changes	Net Change TM Budget	See Staff Report for explanation
Fund	**Account #**	**Account Title**				
GF	13110000-401100	Police Staff	$1,432,374	$1,383,374	($49,000)	**I**
GF	13110000-406180	Vehicle Maintenance-Police	$11,960	$13,770	$1,810	**G**
GF	14120000-401100	Maintenance Staff	$668,795	$619,795	($49,000)	**I**
GF	14120000-406185	Vehicle Maintenance-Public Works	$18,360	$21,980	$3,620	**G**
GF	14135000-405900	Asphalt/General (State)	$208,408	$388,406	$179,998	**H**
GF	14130000-405960	Signal Maintenance (State)	$31,106	$216,106	$185,000	**H**
GF	18110000-406180	Vehicle Maintenance-Comm Dev	$695	$1,600	$905	**G**
GF	11110000-403110	Consultant - Council	$10,000	$46,700	$36,700	**J**
GF	19900000-490100	Contingency - Operating Reserve	$65,015	$65,972	$957	**N/A**
GF	19900000-490200	Transfer to Parks and Rec	$0	$50,000	$50,000	**I**
GF	19900000-490300	Transfer to Capital Fund	$1,200,000	$200,000	($1,000,000)	**C**
GF	19400040-408000	Vehicle Lease - Police	$65,121	$52,059	($13,062)	**G**
GF	19400053-408000	Vehicle Lease - PW Maintenance	$90,535	$46,268	($44,267)	**G**
GF	19400060-408000	Vehicle Lease - Community Dev	$4,463	$0	($4,463)	**G**
TOTAL GF EXPENSE CHANGES			**$3,806,832**	**$3,106,030**	**($700,802)**	

SUMMARY OF CHANGES TO THE FY 2020 BUDGET (Draft)
June 11, 2019

P&R		No changes	$0	$0	$0	
TOTAL P&R EXPENSE CHANGES			**$0**	**$0**	**$0**	

WF	51530000-406180	Vehicle Maintenance - Water	$7,790	$8,695	$905	**G**
WF	51940000-408000	Vehicle Lease - Water	$17,546	$6,189	($11,357)	**G**
WF	51950000-409200	Depreciation Exp	$345,931	$255,500	($90,431)	**A**
WF	51990000-490501	Contingency - Operating Reserve	$72,605	$164,088	$91,483	**A**
TOTAL WF EXPENSE CHANGES					**($9,400)**	

WWF	52630000-403135	Long Range Planning and Studies	$110,000	$78,600	($31,400)	**F**
WWF	52630000-403140	Professional Services	$40,000	$30,400	($9,600)	**F**
WWF	52990000-490320	Transfer to Capital Fund	$661,780	$536,780	($125,000)	**D**
WWF	52990000-490502	Contingency - Operating Reserve	$75,001	$56,001	($19,000)	**F**
WWF	52950000-409500	Depreciation Exp	$703,916	$143,000	($560,916)	**A**
TOTAL WWF EXPENSE CHANGES					**($745,916)**	

TOTAL EXPENDITURE CHANGES ALL OPERATING FUNDS	***($1,456,118)***

SUMMARY OF CHANGES TO THE FY 2020 BUDGET (Draft)
June 11, 2019

Capital Budget Revenues			**Town Manager**	**Town Council**	**Net Difference**	**See Note #**
Fund	**Account #**	**Account Title**	**Budget**	**Changes**	**to TM Budget**	**for explanation**
GF CIP	30320000-399300	Transfer from General Fund	$1,200,000	$200,000	($1,000,000)	**C**
TOTAL GF CIP REVENUE CHANGES			**$1,200,000**	**$200,000**	**($1,000,000)**	

Capital Budget Revenues			**Town Manager**	**Town Council**	**Net Difference**	**See Note #**
Fund	**Account #**	**Account Title**	**Budget**	**Changes**	**to TM Budget**	**for explanation**
WWF CIP	32340000-399320	Transfer from Wastewater Fund	$661,780	$536,780	($125,000)	**D**
TOTAL WWF CIP REVENUE CHANGES			**$661,780**	**$536,780**	**($125,000)**	
TOTAL REVENUE CHANGES - CAPITAL FUNDS			*$1,861,780*	*$736,780*	***($1,125,000)***	

SUMMARY OF CHANGES TO THE FY 2020 BUDGET (Draft)
June 11, 2019

Capital Budget Expenditures			Town Manager	Town Council	Net Change	See Note #
Fund	**Account #**	**Account Title**	**Budget**	**Changes**	**TM Budget**	**for explanation**
GF CIP	TBD	Police Facility	$1,200,000	$200,000	($1,000,000)	**C**
TOTAL GF CIP EXPENDITURE CHANGES			**$1,200,000**	**$200,000**	**($1,000,000)**	

Capital Budget Expenditures			Town Manager	Town Council	Net Change	See Note #
Fund	**Account #**	**Account Title**	**Budget**	**Changes**	**TM Budget**	**for explanation**
WWF CIP	32396140-408510	East End Pump Station - Engineering	$125,000	$0	($125,000)	**D**
TOTAL WWF CIP EXPENDITURE CHANGES			**$125,000**	**$0**	**($125,000)**	

TOTAL EXPENDITURE CHANGES - CAPITAL FUNDS	*$1,325,000*	*$200,000*	***($1,125,000)***

TOTAL BUDGET CHANGES - OPERATING AND CAPITAL FUNDS	***($2,581,118)***

SUMMARY OF OPERATING REVENUES (Draft)

	FY 2018	FY 2019		FY 2020		
	Actual	Current Budget	Estimated Actual	Town Manager Proposed	Town Council Changes	% Change FY19 Current Budget
GENERAL FUND						
Property Tax	3,446,223	3,459,240	3,620,476	3,742,199	3,742,199	8%
Other Local Taxes	4,935,610	4,868,173	5,060,798	5,138,695	5,138,695	6%
Permits, Fees, Licenses	126,521	140,000	111,000	101,000	101,000	-28%
Fines & Forfeitures	58,302	65,100	44,100	44,100	44,100	-32%
Use of Money & Property	50,234	56,600	93,000	102,000	102,000	80%
Miscellaneous	80,265	109,565	93,803	155,000	89,200	-19%
Transfer of Cash Reserves	2,872,989	394,158	111,038	1,437,937	437,937	11%
Transfer of Restricted Reserves	0	0	0	0	364,998	N/A
Inter-Governmental	1,316,645	1,184,981	1,184,645	1,178,148	1,178,148	-1%
TOTAL GENERAL FUND	**12,886,789**	**10,277,817**	**10,318,860**	**11,899,079**	**11,198,277**	**9%**
SPECIAL PARKS & RECREATION FUND						
Special Tax District	428,556	401,453	408,840	423,544	423,544	6%
Use of Money & Property	79,880	28,000	28,500	52,500	52,500	88%
Miscellaneous	760,915	14,225	14,749	52,810	52,810	271%
Inter-Governmental	14,641	4,186	4,186	5,000	5,000	19%
Transfer in Cash Reserves	0	45,167	0	50,000	0	-100%
Transfer from Other Funds	2,033,248	0	0	0	50,000	N/A
TOTAL PARKS & REC FUND	**3,317,240**	**493,031**	**456,275**	**583,854**	**583,854**	**18%**
WATER FUND						
Water Availabilities	2,796,221	2,627,776	1,115,508	660,922	660,922	-75%
Water Fees	2,146,617	2,284,545	2,234,331	2,300,521	2,300,521	1%
Miscellaneous	449,462	342,300	189,950	195,400	186,000	-46%
Investment Income	45,520	43,200	80,000	80,000	80,000	85%
Transfer in Cash Reserves	0	0	0	0	0	N/A
TOTAL WATER FUND	**5,437,820**	**5,297,821**	**3,619,789**	**3,236,843**	**3,227,443**	**-39%**
WASTEWATER FUND						
Wastewater Availabilities	2,347,589	1,732,605	747,450	176,163	176,163	-90%
Wastewater Fees	2,964,138	3,076,851	3,079,323	3,170,863	3,170,863	3%
Miscellaneous	30,492	17,300	17,507	6,700	6,700	-61%
Investment Income	31,251	28,800	75,000	75,000	75,000	160%
Transfer in Cash Reserves	0	14,000	0	1,395,020	649,104	4536%
TOTAL WASTEWATER FUND	**5,373,470**	**4,869,556**	**3,919,280**	**4,823,746**	**4,077,830**	**-16%**

Current Budget includes all approved budget amendments and transfers as of March 1, 2019. Amounts may not equal due to rounding

TOTAL OPERATING BUDGET REVENUES	**27,015,319**	**20,938,225**	**18,314,204**	**20,543,522**	**19,087,404**	**-9%**

OPERATING BUDGET EXPENDITURES (DRAFT)

ATTACHMENT 3

By Cost Center	FY 2018	FY 2019			FY 2020			
	Actual	Adopted Budget	Current Budget	Estimated Expenses	Dept Head Request	Town Manager Proposed	Town Council Draft	% Change FY19 Current Budget
GENERAL FUND								
ADMINISTRATION PAY & BENEFITS	978,610	890,230	919,364	911,285	1,012,534	1,012,534	1,012,534	10.1%
ADMINISTRATION OPERATING	41,485	184,500	182,000	151,500	53,957	53,852	53,852	-70.4%
ADMINISTRATION - INTERNAL SERVICES	197,817	204,162	213,162	214,099	222,665	220,065	220,065	3.2%
ADMINISTRATION - LEGAL	534,103	21,000	21,000	98,158	76,000	76,000	76,000	261.9%
TOTAL ADMINISTRATION EXPENDITURES	**1,752,015**	**1,299,892**	**1,335,526**	**1,375,042**	**1,365,156**	**1,362,451**	**1,362,451**	**2.0%**
FINANCIAL ADMINISTRATION	59,123	61,000	61,000	55,000	79,000	79,000	79,000	29.5%
FINANCE PAY & BENEFITS	863,109	912,167	912,167	910,403	1,038,264	1,038,264	1,038,264	13.8%
FINANCE OPERATING	42,971	92,000	92,000	91,550	101,672	99,172	99,172	7.8%
TOTAL FINANCE EXPENDITURES	**965,203**	**1,065,167**	**1,065,167**	**1,056,953**	**1,218,936**	**1,216,436**	**1,216,436**	**14.2%**
IT PAY & BENEFITS	280,903	310,700	310,700	309,795	316,965	316,965	316,965	2.0%
IT OPERATING	96,018	166,040	166,040	160,500	182,533	169,283	169,283	2.0%
TOTAL IT EXPENDITURES	**376,921**	**476,740**	**476,740**	**470,295**	**499,498**	**486,248**	**486,248**	**2.0%**
POLICE PAY & BENEFITS	1,768,664	1,942,920	2,062,919	2,049,514	2,517,476	2,207,209	2,158,209	4.6%
POLICE OPERATING	289,924	319,000	465,460	472,473	417,022	393,357	395,167	-15.1%
FIRE & RESCUE PASS-THROUGH	115,832	120,000	120,000	116,400	120,000	116,000	116,000	-3.3%
TOTAL PUBLIC SAFETY EXPENDITURES	**2,174,420**	**2,381,920**	**2,648,379**	**2,638,387**	**3,054,498**	**2,716,566**	**2,669,376**	**0.8%**
PUBLIC WORKS ADMIN PAY & BENEFITS	395,325	392,552	351,214	327,523	372,618	372,618	372,618	6.1%
PUBLIC WORKS ADMIN OPERATING	29,186	41,700	40,735	40,675	43,936	24,341	24,341	-40.2%
PUBLIC WORKS ENGINEERING PAY & BENEFITS	388,399	559,401	559,831	559,775	560,395	560,395	560,395	0.1%
PUBLIC WORKS ENGINEERING OPERATING	58,423	125,150	123,755	123,750	423,148	69,543	69,543	-43.8%
PUBLIC WORKS MAINTENANCE PAY & BENEFITS	832,723	997,509	921,919	915,145	1,039,747	1,039,747	990,747	7.5%
PUBLIC WORKS MAINTENANCE OPERATING	229,620	253,350	262,375	258,629	276,582	254,782	258,402	-1.5%
STREETS - TOWN	148,480	297,500	301,200	294,555	234,750	195,250	195,250	-35.2%
STREETS - STATE	368,052	463,628	463,628	461,106	495,618	495,618	860,616	85.6%
REFUSE / TRASH	445,685	475,000	475,000	474,714	488,000	488,000	488,000	2.7%
TOWN HALL	111,565	129,800	162,659	171,896	153,681	153,165	153,165	-5.8%
TOTAL PUBLIC WORKS EXPENDITURES	**3,007,458**	**3,735,590**	**3,662,316**	**3,627,768**	**4,088,474**	**3,653,458**	**3,973,076**	**8.5%**
COMMUNITY DEV PAY & BENEFITS	372,323	383,151	420,355	410,319	512,230	419,146	419,146	-0.3%
COMMUNITY DEV OPERATING	78,555	29,700	49,400	49,192	272,269	97,949	98,854	100.1%
TOTAL COMMUNITY DEVELOPMENT EXPENDITURES	**450,878**	**412,851**	**469,755**	**459,511**	**784,499**	**517,096**	**518,001**	**10.3%**

ATTACHMENT 3

OPERATING BUDGET EXPENDITURES (DRAFT)

By Cost Center	FY 2018	FY 2019			FY 2020			
	Actual	Adopted Budget	Current Budget	Estimated Expenses	Dept Head Request	Town Manager Proposed	Town Council Draft	% Change FY19 Current Budget
COUNCIL	68,086	76,528	76,528	63,452	121,988	85,588	122,288	59.8%
PLANNING COMMISSION	14,508	14,350	14,350	14,350	14,349	14,349	14,349	0.0%
BOARD OF ZONING APPEALS	24	1,500	1,500	50	100	100	100	-93.3%
ECONOMIC DEVELOPMENT	1,135	15,000	15,000	3,500	15,000	15,000	15,000	0.0%
ARCHITECTURAL REVIEW BOARD	3,230	3,768	3,768	3,768	3,768	3,768	3,768	0.0%
ARTS COUNCIL	13,076	20,000	24,500	21,000	20,000	20,000	20,000	-18.4%
ENVIRONMENTAL SPECIAL PROGRAMS	6,394	5,000	5,000	5,000	8,000	8,000	8,000	60.0%
TOTAL LEGISLATIVE & ADVISORY	**106,453**	**136,146**	**140,646**	**111,120**	**183,205**	**146,805**	**183,505**	**30.5%**
TOTAL OPERATIONS COST	**8,833,348**	**9,508,306**	**9,798,529**	**9,739,076**	**11,194,267**	**10,099,061**	**10,409,093**	**6.2%**
RETIREE BENEFITS	55,810	58,852	58,852	65,387	69,300	69,300	69,300	17.8%
CAPITAL OUTLAY	95,486	261,000	98,162	50,927	200,815	200,815	139,023	41.6%
ADJUST & TRANSFERS	2,293,248	18,086	18,086	18,086	1,251,174	1,200,000	250,000	1282.3%
CONTINGENCY - OPERATING RESERVE	0	71,644	63,885	0	102,078	65,015	65,972	3.3%
CONTINGENCY - REVENUE RESERVE	0	0	0	0	48,500	48,500	48,500	N/A
DEBT RETIREMENT	1,263,292	1,187,556	1,187,556	1,187,556	1,202,841	1,202,841	1,202,841	1.3%
TOTAL NON-DEPARTMENTAL	**3,707,836**	**1,597,138**	**1,426,541**	**1,321,956**	**2,874,708**	**2,786,471**	**1,775,636**	**24.5%**
Less Utility Chargeback	(878,432)	(986,452)	(947,252)	(947,252)	(986,452)	(986,452)	(986,452)	4.1%
TOTAL GENERAL FUND	**11,662,752**	**10,118,992**	**10,277,817**	**10,113,779**	**13,082,523**	**11,899,079**	**11,198,277**	**9.0%**

Current Budget includes all approved budget amendments and transfers as of March 1, 2019. Amounts may not equal due to rounding

OPERATING BUDGET EXPENDITURES (DRAFT)

ATTACHMENT 3

By Cost Center	FY 2018	FY 2019			FY 2020			
	Actual	Adopted Budget	Current Budget	Estimated Expenses	Dept Head Request	Town Manager Proposed	Town Council Draft	% Change FY19 Current Budget
SPECIAL PARKS & REC FUND								
PARKS & REC PAY & BENEFITS	84,284	79,614	79,614	80,721	174,640	174,640	174,640	119.4%
PARKS & REC MANAGEMENT	20,454	29,400	38,400	33,400	54,900	54,150	54,150	41.0%
PARKS & REC TRAIN STATION	27,216	39,715	39,715	38,315	47,415	43,415	43,415	9.3%
PARKS & REC SKATING RINK	13,923	0	0	0	43,150	43,150	43,150	N/A
FIREMAN'S FIELD COMPLEX	89,316	56,500	56,300	55,671	63,500	56,500	56,500	0.4%
PARKS & REC PROGRAMS	56,479	22,250	75,450	75,045	81,400	81,400	81,400	7.9%
PARKS & REC TREE COMMISSION	5,436	2,500	6,686	6,100	2,500	2,500	2,500	-62.6%
PARKS & REC FUND OPERATING COST	**297,108**	**229,979**	**296,165**	**289,252**	**467,505**	**455,755**	**455,755**	**53.9%**
TRANSFERS AND ADJUSTMENTS	0	200,000	50,000	50,000	197,123	0	0	-100.0%
CONTINGENCY - OPERATING RESERVE	0	41,000	40,000	0	41,000	21,233	21,233	-46.9%
DEBT RETIREMENT	2,893,997	106,866	106,866	106,866	106,866	106,866	106,866	0.0%
PARKS & REC FUND NON-DEPT COST	**2,893,997**	**347,866**	**196,866**	**156,866**	**344,989**	**128,099**	**128,099**	-34.9%
TOTAL PARKS & REC EXPENDITURES	**3,191,105**	**577,845**	**493,031**	**446,118**	**812,494**	**583,854**	**583,854**	**18.4%**

Current Budget includes all approved budget amendments and transfers as of March 1, 2019. Amounts may not equal due to rounding

OPERATING BUDGET EXPENDITURES (DRAFT)

ATTACHMENT 3

By Cost Center	FY 2018	FY 2019			FY 2020			
	Actual	Adopted Budget	Current Budget	Estimated Expenses	Dept Head Request	Town Manager Proposed	Town Council Draft	% Change FY19 Current Budget
WATER FUND								
WATER PAY & BENEFITS	1,361,845	1,431,777	1,412,177	1,410,546	1,393,561	1,393,561	1,393,561	-1%
PLANT	306,446	385,700	385,700	361,035	362,100	359,600	359,600	-7%
PLANT - OTHER	134,129	363,600	377,635	359,680	277,558	276,298	277,203	-27%
WELL	163,148	227,800	217,726	229,010	205,000	205,000	205,000	-6%
METER READING	39,391	75,500	75,500	47,500	46,200	41,200	41,200	-45%
WATER FUND OPERATING COST	**2,004,960**	**2,484,377**	**2,468,738**	**2,407,771**	**2,284,418**	**2,275,658**	**2,276,563**	**-8%**
CAPITAL OUTLAY	62,784	61,000	35,103	31,000	36,546	36,546	25,189	-28%
ADJUSTMENTS AND TRANSFERS	862,172	1,110,062	1,110,062	1,110,062	232,748	220,400	220,400	-80%
CONTINGENCY - OPERATING RESERVE	0	1,012,534	1,057,070	0	75,000	72,605	164,088	-84%
DEBT RETIREMENT	1,106,517	626,849	626,849	626,849	631,634	631,634	541,203	-14%
WATER FUND NON-DEPT COST	**2,031,473**	**2,810,445**	**2,829,084**	**1,767,911**	**975,928**	**961,185**	**950,880**	**-66%**
TOTAL WATER FUND EXPENDITURES	**4,036,433**	**5,294,822**	**5,297,822**	**4,175,682**	**3,260,346**	**3,236,843**	**3,227,443**	**-39%**

Current Budget includes all approved budget amendments and transfers as of March 1, 2019. Amounts may not equal due to rounding

OPERATING BUDGET EXPENDITURES (DRAFT)

ATTACHMENT 3

By Cost Center	FY 2018	FY 2019			FY 2020			
	Actual	Adopted Budget	Current Budget	Estimated Expenses	Dept Head Request	Town Manager Proposed	Town Council Draft	% Change FY19 Current Budget
WASTEWATER FUND								
WASTEWATER PAY & BENEFITS	1,304,282	1,361,649	1,342,049	1,342,049	1,379,275	1,379,275	1,379,275	3%
PLANT	395,458	498,100	500,600	501,767	603,785	560,685	560,685	12%
LAB	45,552	50,922	50,922	49,150	52,820	51,920	51,920	2%
PLANT - OTHER	77,179	124,215	144,215	133,910	253,151	253,151	212,151	47%
PUMP STATIONS	39,658	52,300	49,800	48,500	54,900	54,900	54,900	10%
METER READING	31,730	79,500	79,500	70,365	44,500	41,200	41,200	-48%
WATER FUND OPERATING COST	**1,893,859**	**2,166,686**	**2,167,086**	**2,145,741**	**2,388,431**	**2,341,131**	**2,300,131**	**6%**
CAPITAL OUTLAY	18,900	103,000	114,327	114,327	23,949	23,949	23,949	-79%
ADJUSTMENTS AND TRANSFERS	160,158	793,600	768,600	768,600	674,231	661,780	536,780	-30%
CONTINGENCY RESERVE	0	39,674	64,947	0	75,000	75,001	56,001	-14%
DEBT RETIREMENT	2,092,763	1,754,596	1,754,596	1,754,596	1,721,885	1,721,885	1,160,969	-34%
WATER FUND NON-DEPT COST	**2,271,821**	**2,690,870**	**2,702,470**	**2,637,523**	**2,495,065**	**2,482,615**	**1,777,699**	**-34%**
TOTAL WASTEWATER FUND EXPENDITURES	**4,165,680**	**4,857,556**	**4,869,556**	**4,783,264**	**4,883,497**	**4,823,746**	**4,077,830**	**-16%**

Current Budget includes all approved budget amendments and transfers as of March 1, 2019. Amounts may not equal due to rounding

December 12, 2018

Mr. David A. Mekarski
Town Manager, Town of Purcellville
221 South Nursery Avenue
Purcellville, VA 20132

RE: Update to the FY 2019 and FY 2020 NVTA 30% Local Funding Allocations to the Town of Purcellville

Mr. Mekarski:

Effective July 1, 2018, all revenues from the regional congestion tax (grantor's tax) and the regional TOT tax will be directed to Washington Metropolitan Area Transit Authority (WMATA) for use in funding Metrorail capital expenses. These revenues, which comprised approximately 20 percent of the regional tax revenue collected in Loudoun, will no longer be available to fund NVTA-sponsored transportation projects and localities will not have access to the 30-percent local share of these funds.

The proceeds of the regional 0.7-percent sales tax will be the sole source of revenue for NVTA, and this revenue will continue to be shared with the member jurisdictions on a pro-rata basis. As in the past, Loudoun County will continue to share this revenue with the Towns of Leesburg and Purcellville according to the terms of the MOA. The 30-percent local share of the regional sales tax revenue attributable to Loudoun is allocated using the number of school-age residents.

The Town of Purcellville's share was determined based on the attributable revenue as outlined in the Memorandum of Agreement (MOA) executed on February 26, 2014; as mentioned above, revenues from the grantor's tax are no longer included in the 30% local funds transfer to Loudoun County and Purcellville.

As a result of these changes, the projected NVTA revenues generated in Loudoun County (including shares for the towns) are identified in the following table, based on an assumed annual growth rate of 2.7% in regional sales tax:

Loudoun County	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
NVTA Sales Tax Revenues	$51.02M	$52.51M	$53.29M	$55.14M	$56.97M	$58.37M

Loudoun County is responsible for full payment of NVTA's administrative fees, including the portion of such administrative fees attributable the Town of Leesburg. Loudoun County will seek

reimbursement from the Town of Leesburg's pro rata share of all NVTA administrative fees that were pre-paid by Loudoun County, as outlined in the MOA, based on relative population.

The following table provides the figures that will be reported for the Town of Purcellville's NVTA 30% Local Funding project page in the County's FY 2020 Proposed Capital Improvement Program (CIP) document. These figures estimate the Town's portion of NVTA 30% local revenues for the six-year CIP period.

The Town's NVTA 30% local fund share totals $459,180. The FY 2019 Adopted CIP originally budgeted a total of $490,000 for the Town's NVTA 30% local fund share; the adopted budget was established prior to receiving updated information that reflects the diversion of grantor's tax and TOT to WMATA.

Please note that these figures do not subtract the Town's share of the NVTA administrative fee, which are normally deducted in July or August each year when the payment is due. For FY 2019, the actual NVTA administration fee attributable to Purcellville is $6,200. As of the date of this letter, the estimated NVTA administration fee for FY 2020 has not yet been calculated.

Town of Purcellville	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
30% Local Funds*	459,180	472,590	479,610	496,260	512,730	525,330

*All numbers in this table are forecasts and subject to adjustment.

The payment of these funds to the Towns are on a reimbursement basis, of which the process and required documentation to obtain reimbursement payments from the County was provided to the Towns in a letter from Ben Mays dated June 18, 2014. Copies of this letter can be provided to the Town upon request.

NVTA revenue estimates for FY 2019 through FY 2024 are based on actuals received in FY 2017 and FY 2018, and projections of likely market conditions that will affect receipt of revenues by NVTA. The NVTA 70% regional and 30% local revenue estimates are updated annually and are subject to revision each fiscal year.

Please let me know if you have any questions regarding the information provided.

Sincerely,

Erin McLellan
Director, Department of Management and Budget

Cc: Tim Hemstreet, County Administrator
Charles Yudd, Deputy County Administrator
Joe Kroboth III, Director, Department of Transportation & Capital Infrastructure

Janet Romanchyk, Director, Department of Finance and Procurement
Naeem Mia, Capital Budget Manager, Department of Management & Budget

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY (NVTA)

Summary By Project

[1]East Main St. Sidewalk		
FY 15	$	239,886.54
FY 16	$	18,573.89
	$	**258,460.43**
[2]Main & Maple Intersection Ph 1		
FY 17	$	647.75
	$	**647.75**
[2]Main & Maple Intersection Ph 2		
FY 19	$	19,852.00
FY 20	$	139,492.00
	$	**159,344.00**
[2]Nursery Ave. Improvements		
FY 15	$	17,073.53
FY 16	$	58,477.27
FY 17	$	107,595.79
FY 18	$	36,092.70
FY 19	$	477,505.00
	$	**696,744.29**

[2]32nd & A St. Intersection		
FY 17	$	15,874.98
FY 18	$	17,780.51
FY 19	$	472,344.00
	$	**505,999.49**
[2]12th St. Improvements		
FY 19	$	110,000.00
FY 20	$	890,000.00
	$	**1,000,000.00**
[2]32nd & Main Intersection		
FY 19	$	70,745.00
FY 20	$	416,038.00
	$	**486,783.00**
Hatcher Avenue Sidewalk		
FY 19	$	77,275.00
FY 20	$	43,121.00
	$	**120,396.00**
Total	**$**	**3,228,374.96**

Funding Amounts Allocated to Purcellville*

FY 14	Audited	$	375,015.74
FY 15	Audited	$	413,865.95
FY 16	Audited	$	424,107.34
FY 17	Audited	$	484,103.00
FY 18	Estimated	$	482,466.00
FY 19	Estimated	$	459,180.00
FY 20	Estimated	$	472,590.00
FY 21	Estimated	$	479,610.00
FY 22	Estimated	$	496,260.00
FY 23	Estimated	$	512,730.00
FY 24	Estimated	$	525,330.00
		$	5,125,258.03

Total NVTA Funds Allocated	$	5,125,258.03
[1]Applied to Closed CIP project	$	258,460.43
[2]Applied to Current CIP	$	2,969,914.53
Available for Future Use	**$**	**1,896,883.07**

* Funding amounts were identified in a letter from Loudoun County dated December 12, 2018.

The proposed use of NVTA funding through FY 20 is $117,047 more than the estimated allocations through FY 20. Project execution is typically slower than projected in the CIP sheets which will allow us to draw on FY 21 funds to cover the shortage.

Town of Purcellville
Proffer Use Plan

				CIP-Proffer Allocation Plan		
Received From	**Date**	**Amount**	**Restricted Use per Agreement**	**Project**	**Allocated**	**Unallocated**
Brookfield	9/9/2016	177,636.07	Transportation Improvements	Hirst Road Improvements	177,636.07	-
Brookfield	2/8/2017	179,767.70	Transportation Improvements	Hirst Road Improvements	131,956.93	
				Hatcher Avenue Improvements	47,810.77	-
Brookfield	3/22/2017	226,578.00	Capital, transportation or other improvements	Hatcher Avenue Improvements	187,624.23	38,953.77
Brookfield	6/1/2018	224,644.20	Capital, transportation or other improvements			224,644.20
Brookfield	2/7/2019	68,575.26	Capital, transportation or other improvements			68,575.26
Total Brookfield		877,201.23				
Holtzman Oil Comp	12/22/2016	83,554.28	Transportation Improvements (general vicinity)			83,554.28
Holtzman Oil Comp	11/27/2018	58,168.64	Transportation Improvements (general vicinity)			58,168.64
Total Holtzman		141,722.92				
Total Proffers Received		1,018,924.15		**Proffers Allocated/Unallocated**	545,028.00	473,896.15

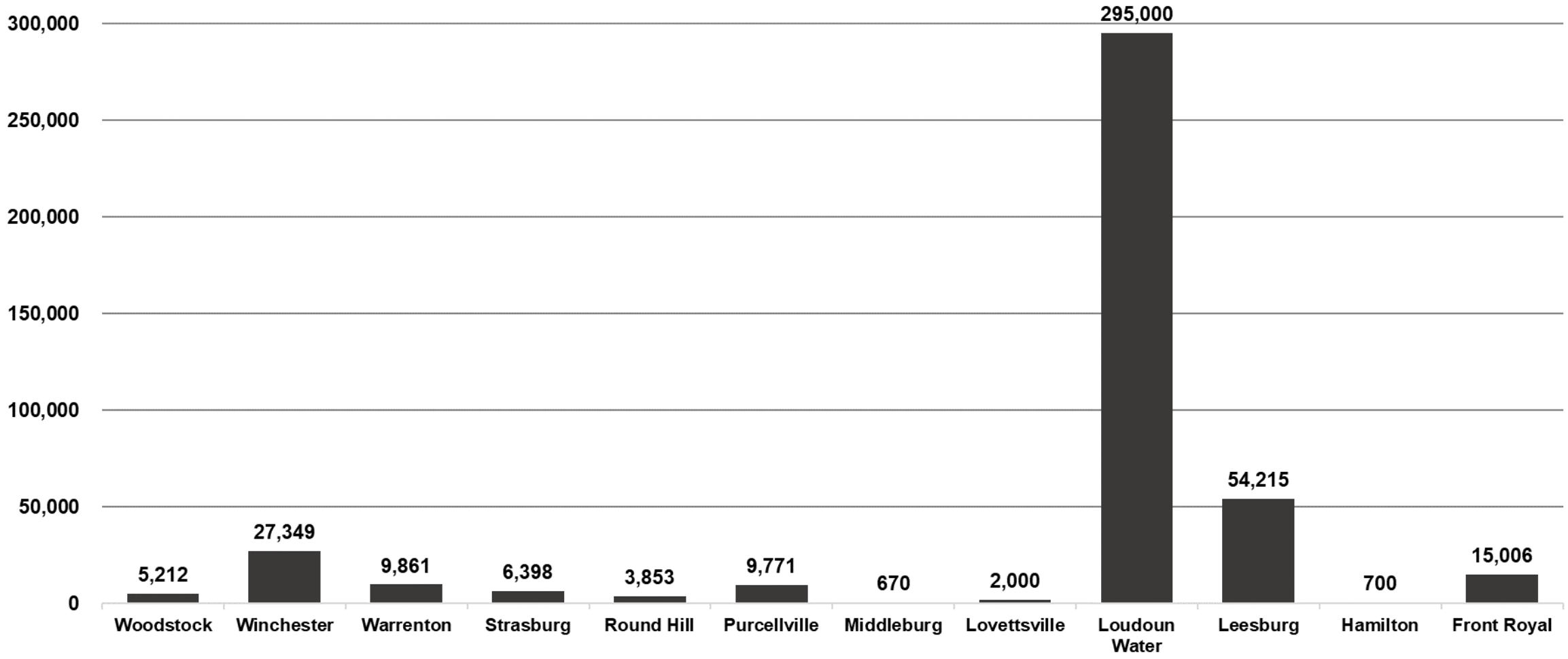
Note: Development agreements are tracked and collected by Community Development. Once proffer revenue is received, Finance restricts funds for use in accordance with the agreement and tracks capital project allocation.

Town of Purcellville, VA

Water and Sewer Rate Survey

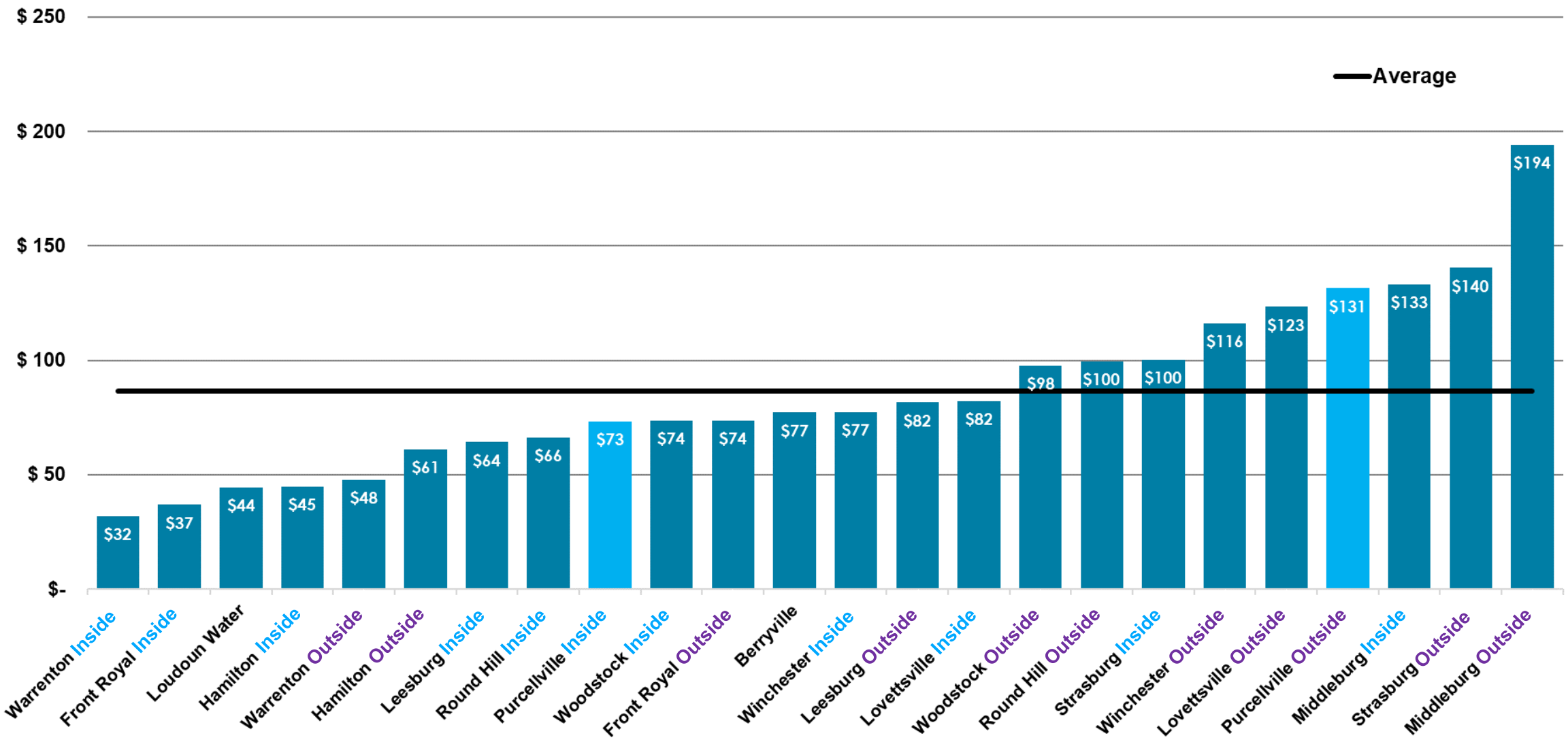
Stantec

Population Statistics for Surveyed Communities

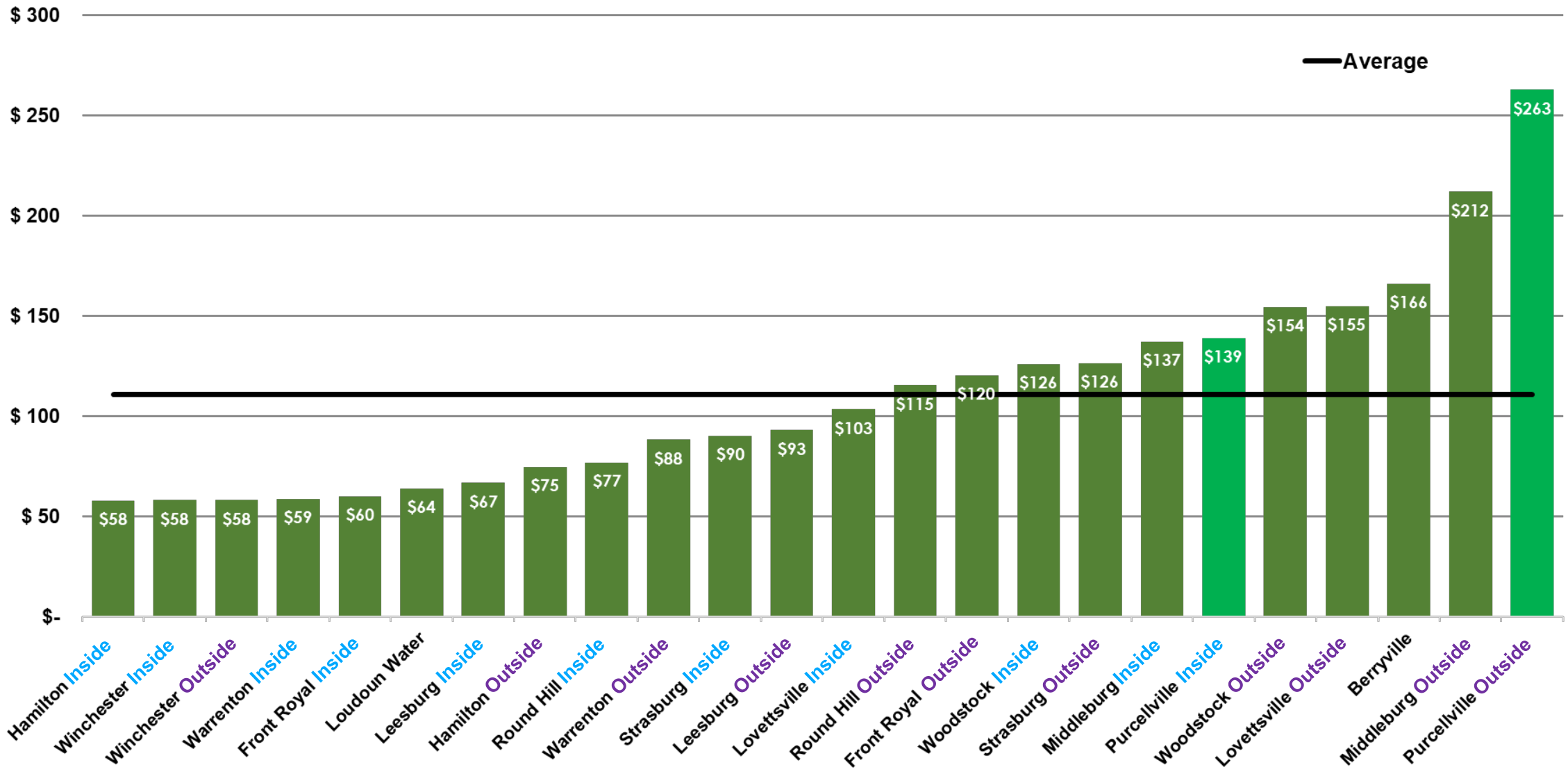


Many communities serve significant populations outside Town limits (i.e. majority of Round Hill customers located outside Town). Purcellville only serves 15 water and 1 sewer customer outside the Town.

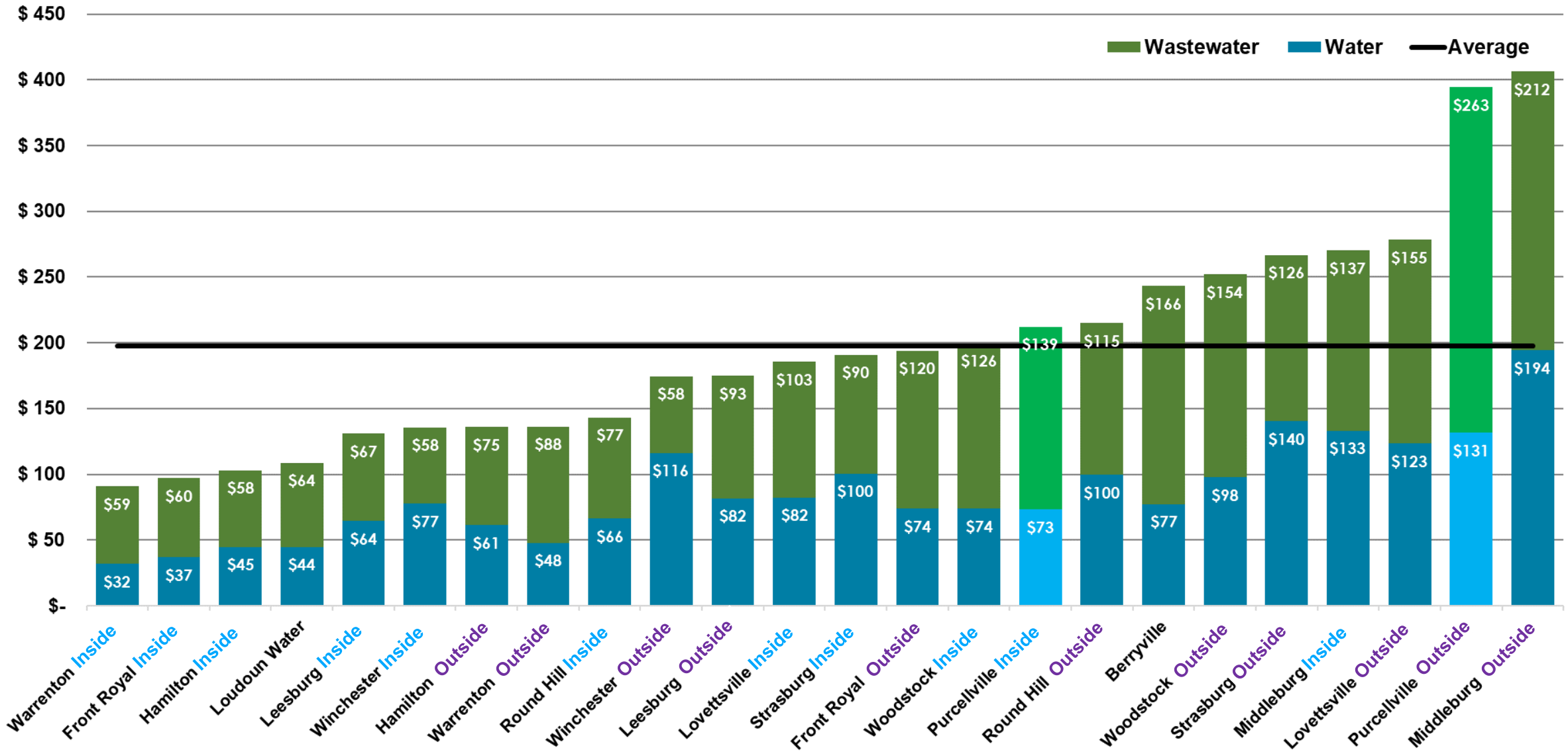
FY 2019 Bi-Monthly Bill Residential Water Usage at 8,000 gallons



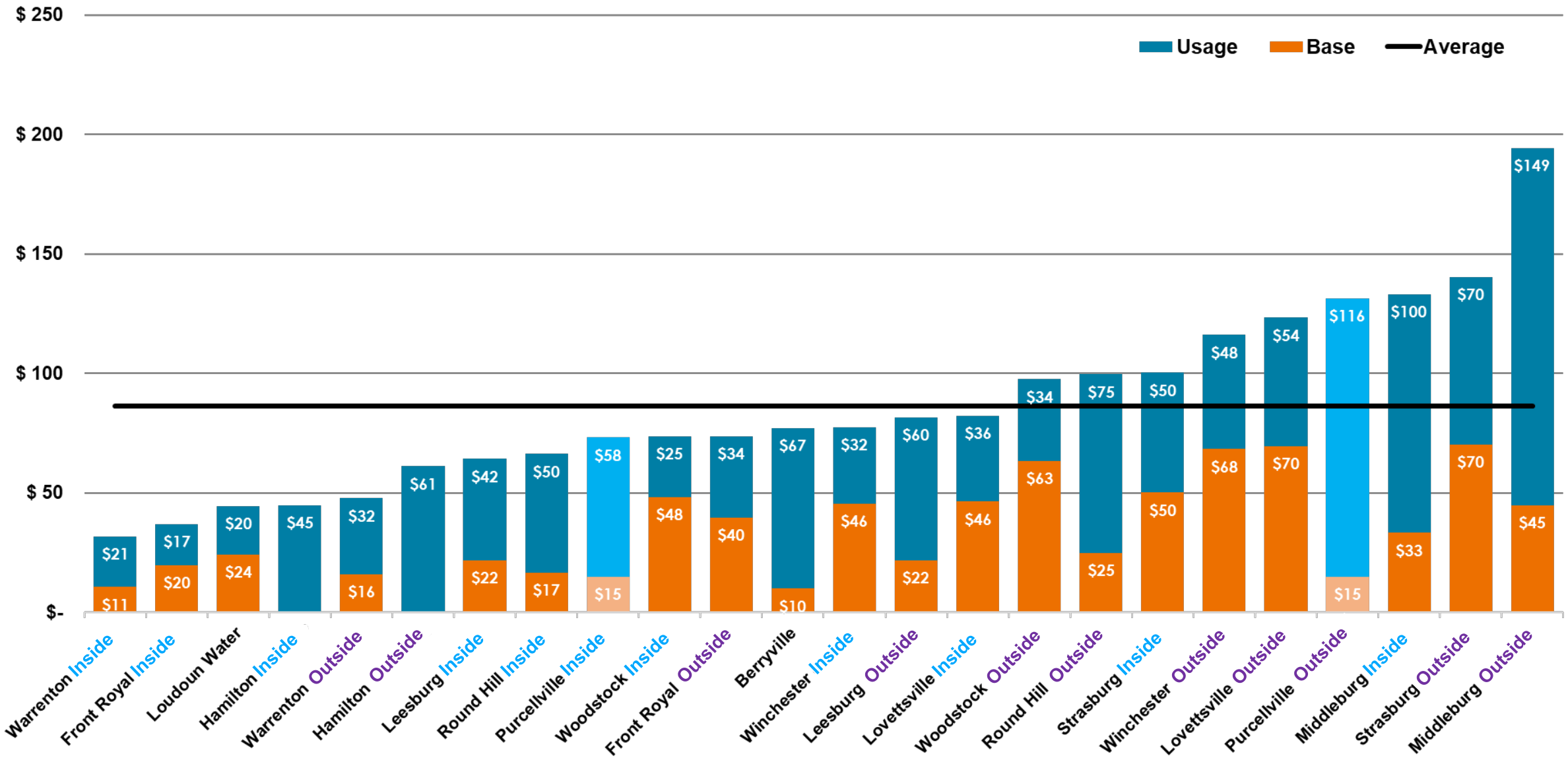
FY 2019 Bi-Monthly Bill Residential Sewer Usage at 8,000 gallons



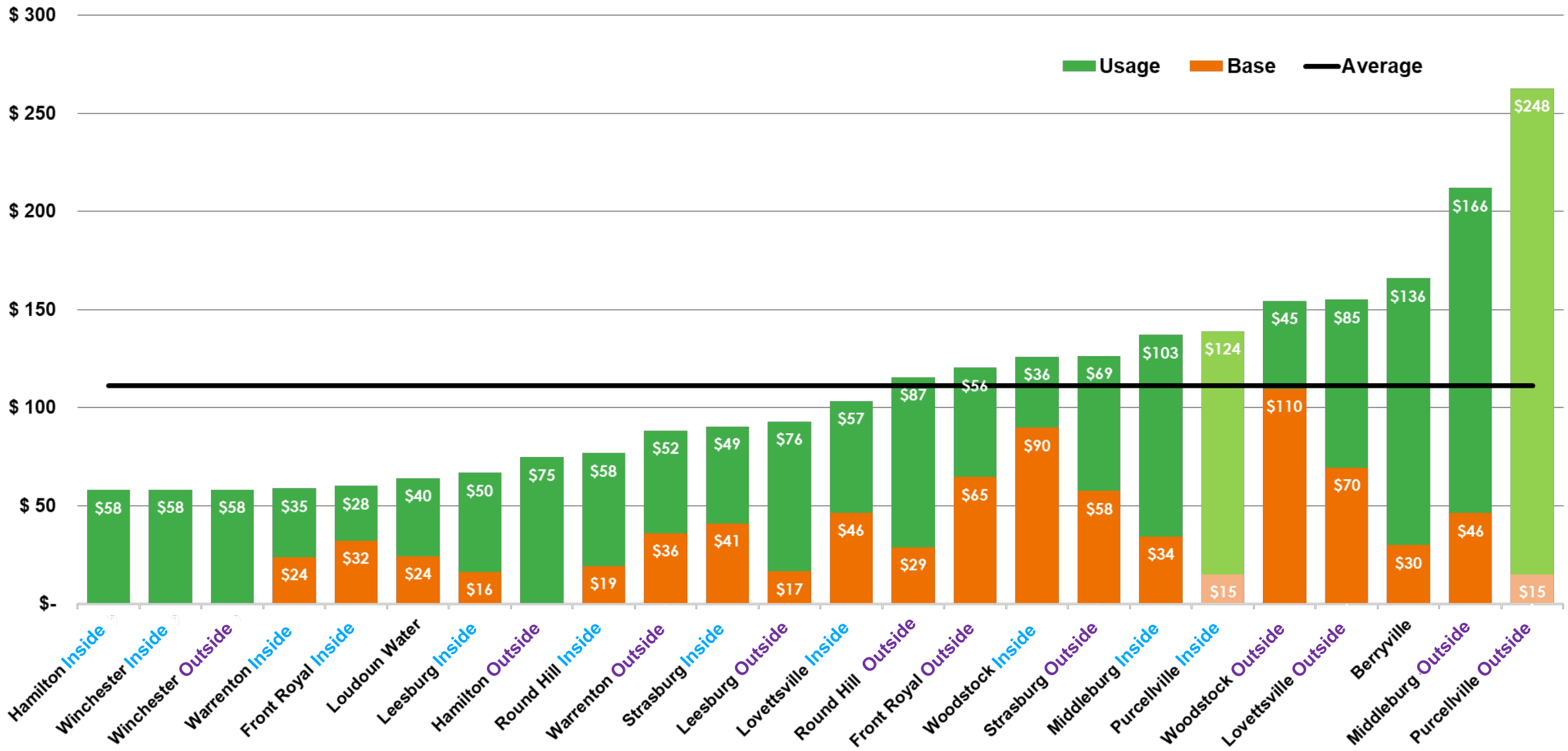
FY 2019 Bi-Monthly Bill Residential Combined Usage at 8,000 gallons



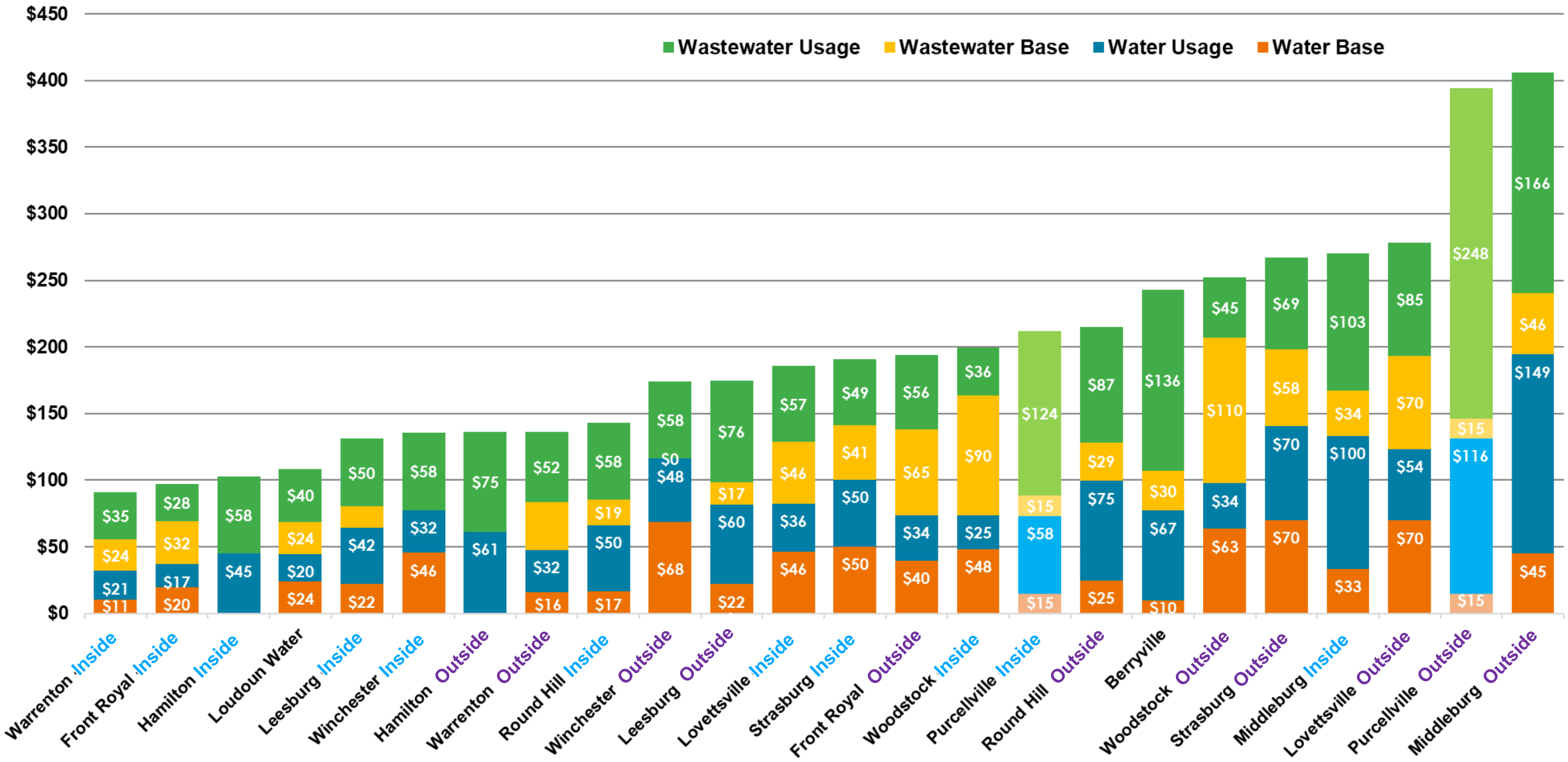
FY 2019 Bi-Monthly Residential Water (Base & Usage) Bill at 8,000 gallons



FY 2019 Bi-Monthly Residential Sewer (Base & Usage) Bill at 8,000 gallons



FY 2019 Bi-Monthly Bill Residential Combined Usage at 8,000 gallons



UTILITY RATE MODEL SCENARIOS

Budget Work Session

June 5, 2019

UTILITY RATE MODEL SCENARIOS

(CM Grewe, 5/9/19)

Assumptions & Variables:
(Water and Wastewater funds)

- One with the rates needed for us to maintain policy reserves for the next 10 years.
- One with a 6% increase this year pursuing structural balance but not needing to comply with the policy reserves.
- One with a 9% increase this year pursuing structural balance but not needing to comply with the policy reserves.
- One with a 6% increase this year pursuing structural balance and in compliance with the policy reserves.
- One with a 9% increase this year pursuing structural balance and in compliance with the policy reserves.
- One with a 6% increase this year pursuing structural balance but not needing to comply with the policy reserves, but including 3% in meals tax revenue going into the Wastewater fund starting FY 21
- One with a 9% increase this year pursuing structural balance but not needing to comply with the policy reserves, but including 3% in meals tax revenue going into the Wastewater fund starting FY 21
- One with a 6% increase this year pursuing structural balance and in compliance with the policy reserves, including 3% in meals tax revenue going into the Wastewater fund starting FY 21
- One with a 9% increase this year pursuing structural balance and in compliance with the policy reserves, including 3% in meals tax revenue going into the Wastewater fund starting FY 21

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC | SAVE | CTRL | LAST | OVR

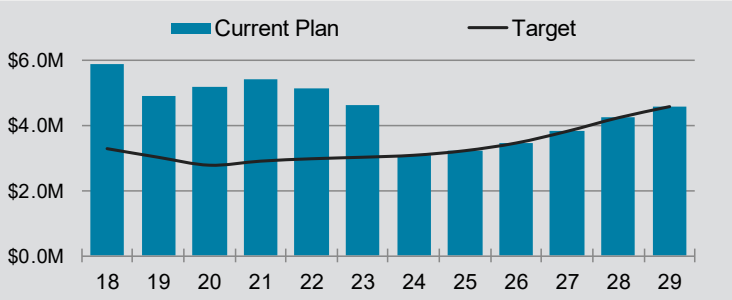
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Water Rate Plan	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Debt Coverage	1.51	2.28	2.77	1.97	2.18	2.01	1.87	1.64	1.46	1.42	1.47
Single Family Bi-Monthly Water Bill	$73.24	$80.57	$88.62	$97.46	$107.21	$117.94	$129.73	$142.73	$157.00	$172.72	$190.00
Cost per Day	$1.22	$1.34	$1.48	$1.62	$1.79	$1.97	$2.16	$2.38	$2.62	$2.88	$3.17

	FY 2023	FY 2028
Cumulative	61.13%	159.60%

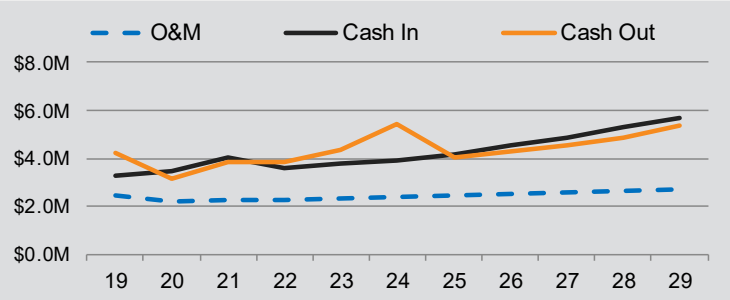
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

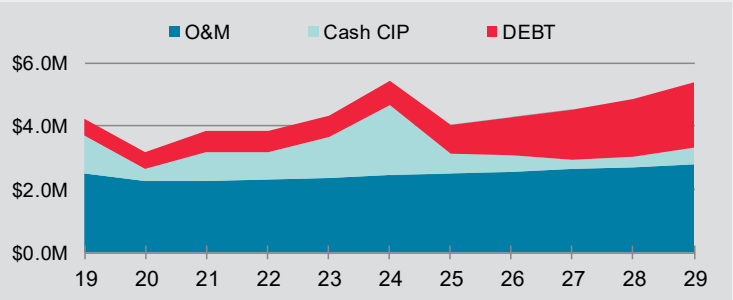
Operating Fund (Cash)



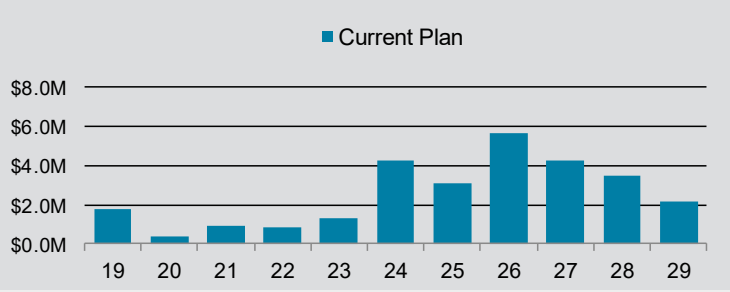
Revenues vs. Expenses



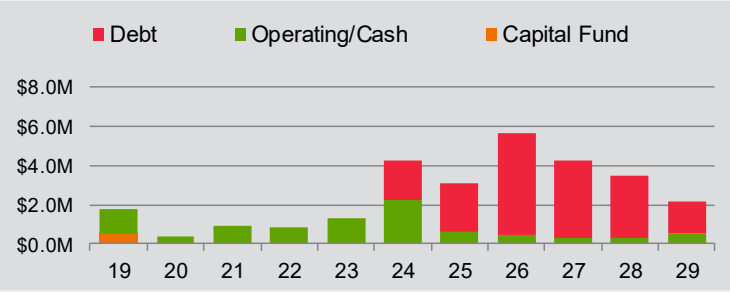
Expenses by Type



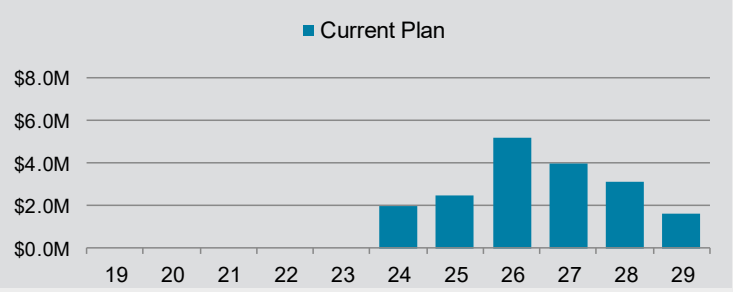
CIP Spending



CIP Funding



Borrowing



Scenario: Rates needed for us to maintain policy reserves for the next 10 years.

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC | SAVE | CTRL | LAST | OVR

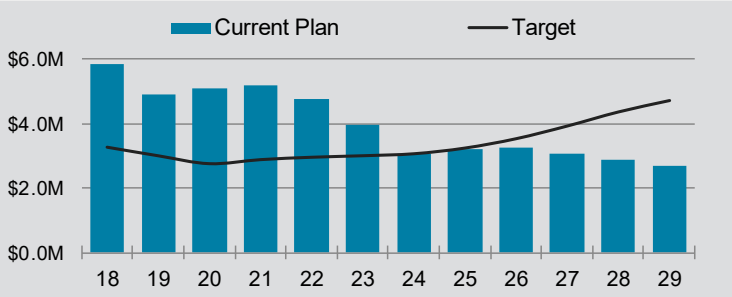
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%
Water Rate Plan	0.00%	6.00%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%
Debt Coverage	1.51	2.12	2.58	1.72	1.84	1.55	1.37	1.18	1.04	1.01	1.03
Single Family Bi-Monthly Water Bill	$73.24	$77.65	$84.34	$91.58	$99.48	$108.06	$117.33	$127.42	$138.38	$150.27	$163.18
Cost per Day	$1.22	$1.29	$1.41	$1.53	$1.66	$1.80	$1.96	$2.12	$2.31	$2.50	$2.72

	FY 2023	FY 2028
Cumulative	47.47%	122.80%

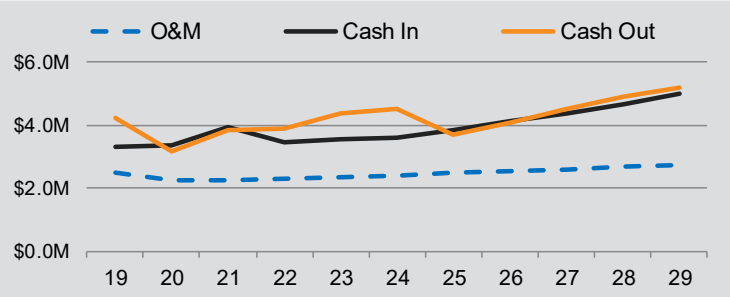
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

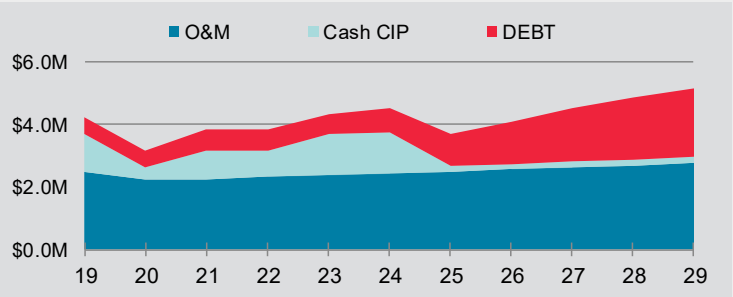
Operating Fund (Cash)



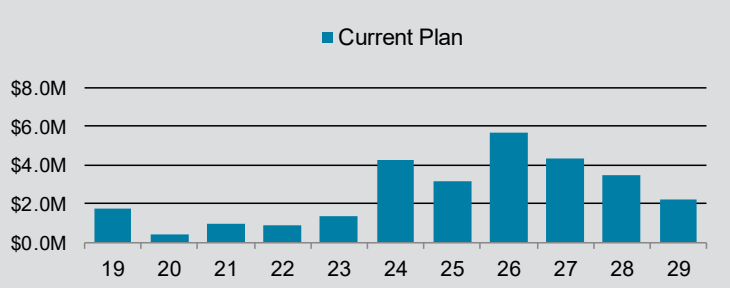
Revenues vs. Expenses



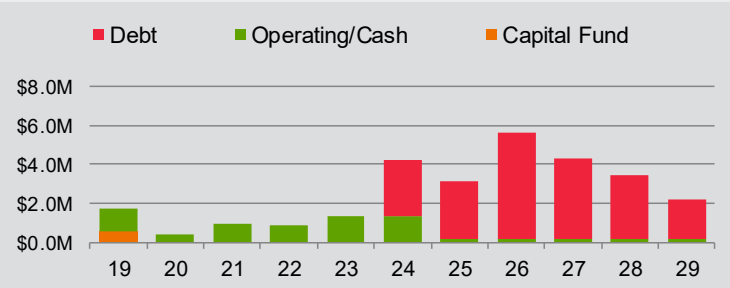
Expenses by Type



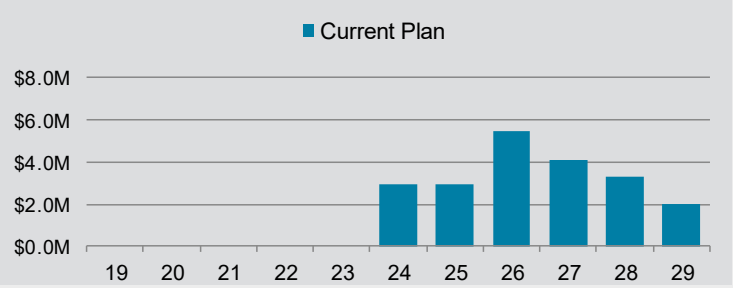
CIP Spending



CIP Funding



Borrowing



Scenario: 6% increase this year pursuing structural balance but not needing to comply with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC | SAVE | CTRL | LAST | OVR

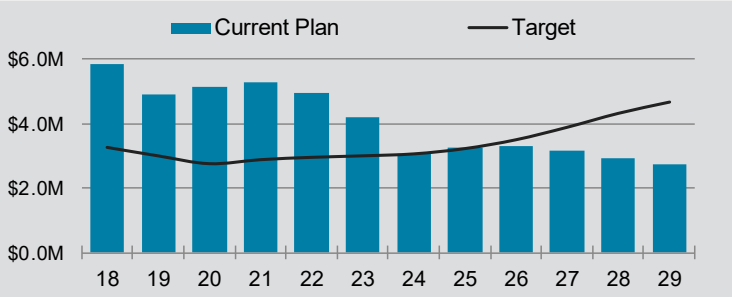
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%
Water Rate Plan	0.00%	9.00%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%
Debt Coverage	1.51	2.24	2.67	1.79	1.91	1.62	1.42	1.21	1.06	1.01	1.02
Single Family Bi-Monthly Water Bill	$73.24	$79.83	$86.32	$93.35	$100.96	$109.21	$118.13	$127.77	$138.19	$149.44	$161.60
Cost per Day	$1.22	$1.33	$1.44	$1.56	$1.68	$1.82	$1.97	$2.13	$2.30	$2.49	$2.69

	FY 2023	FY 2028
Cumulative	49.13%	120.60%

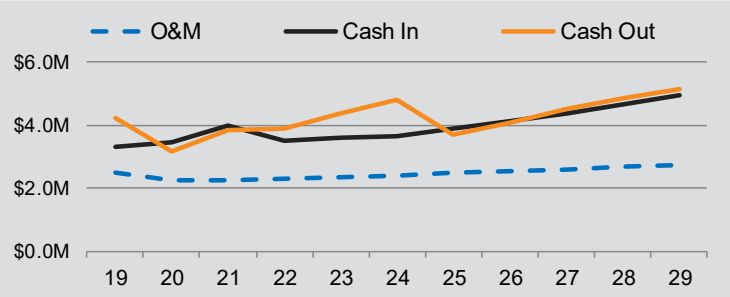
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

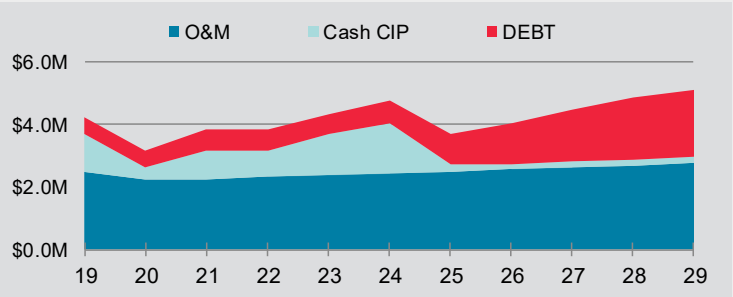
Operating Fund (Cash)



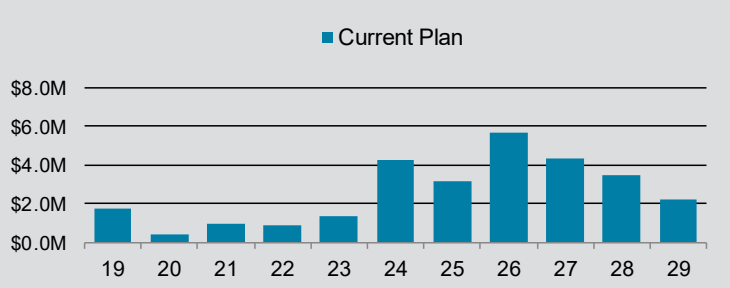
Revenues vs. Expenses



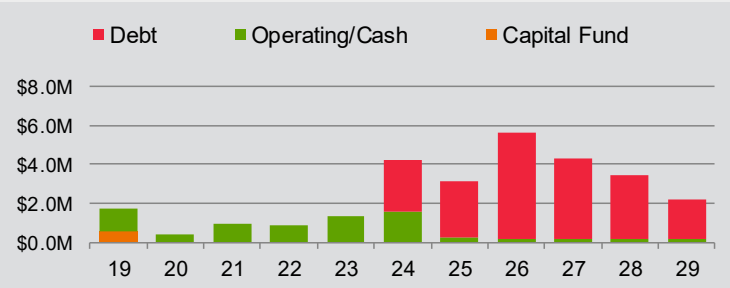
Expenses by Type



CIP Spending



CIP Funding



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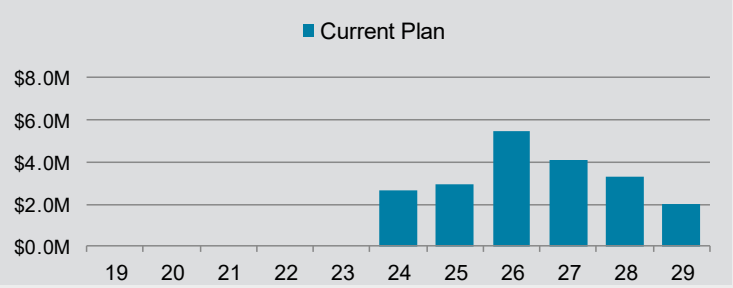


Scenario: 9% increase this year pursuing structural balance but not needing to comply with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC | SAVE | CTRL | LAST | OVR

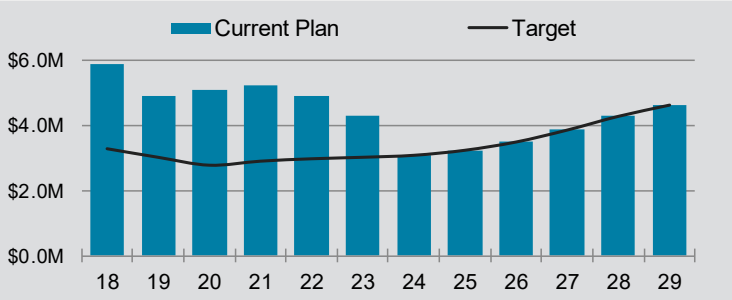
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Water Rate Plan	0.00%	6.00%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Debt Coverage	1.51	2.12	2.65	1.85	2.07	1.88	1.75	1.55	1.40	1.38	1.44
Single Family Bi-Monthly Water Bill	$73.24	$77.65	$85.80	$94.82	$104.77	$115.77	$127.90	$141.34	$156.18	$172.58	$190.68
Cost per Day	$1.22	$1.29	$1.43	$1.58	$1.75	$1.93	$2.13	$2.36	$2.60	$2.88	$3.18

	FY 2023	FY 2028
Cumulative	58.00%	160.33%

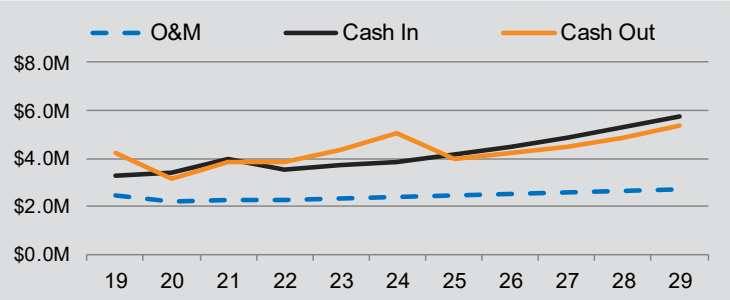
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

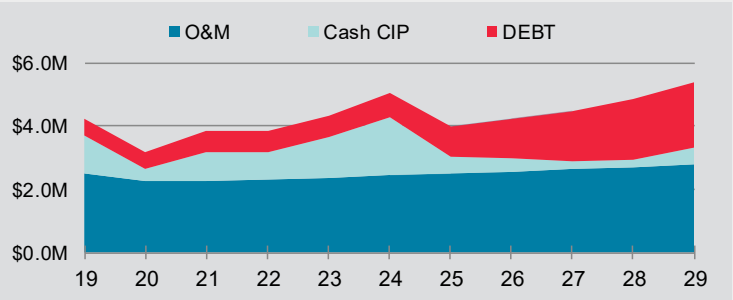
Operating Fund (Cash)



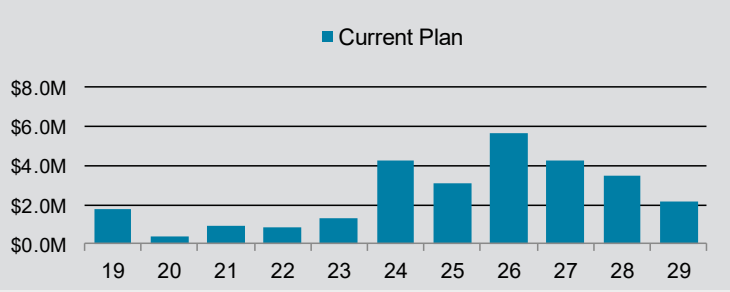
Revenues vs. Expenses



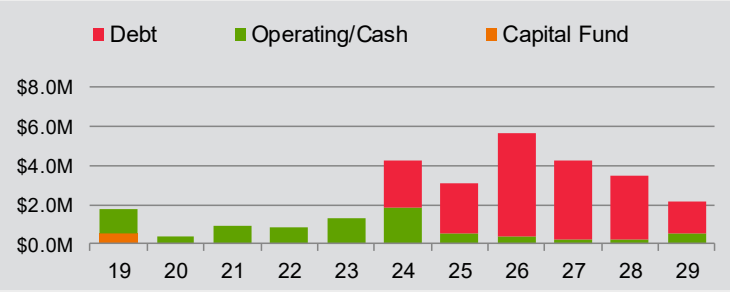
Expenses by Type



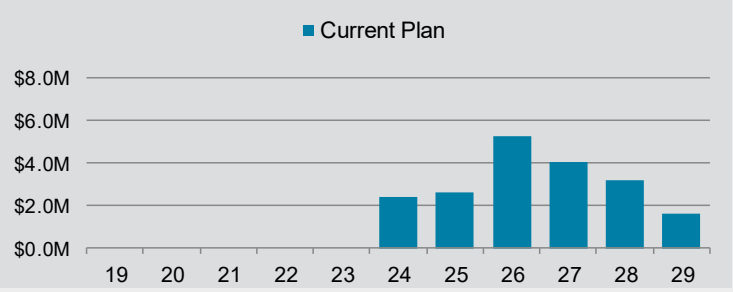
CIP Spending



CIP Funding



Borrowing



Scenario: 6% increase this year pursuing structural balance and in compliance with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC | SAVE | CTRL | LAST | OVR

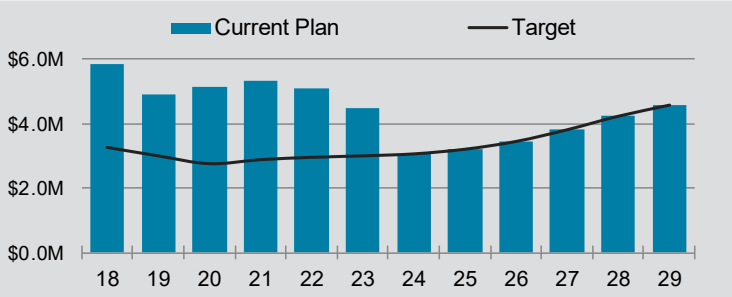
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Water Rate Plan	0.00%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Debt Coverage	1.51	2.24	2.74	1.93	2.14	1.95	1.81	1.59	1.41	1.38	1.43
Single Family Bi-Monthly Water Bill	$73.24	$79.83	$87.84	$96.66	$106.31	$116.94	$128.63	$141.53	$155.69	$171.30	$188.42
Cost per Day	$1.22	$1.33	$1.46	$1.61	$1.77	$1.95	$2.14	$2.36	$2.59	$2.86	$3.14

	FY 2023	FY 2028
Cumulative	59.67%	157.27%

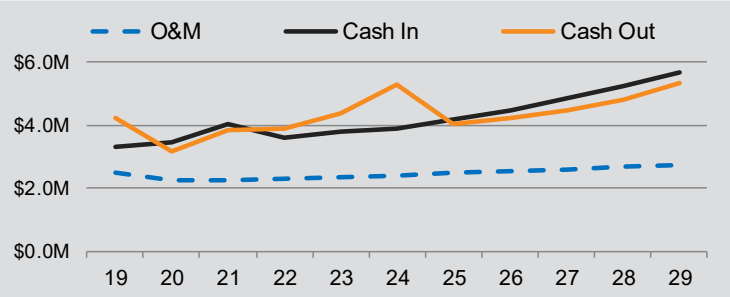
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

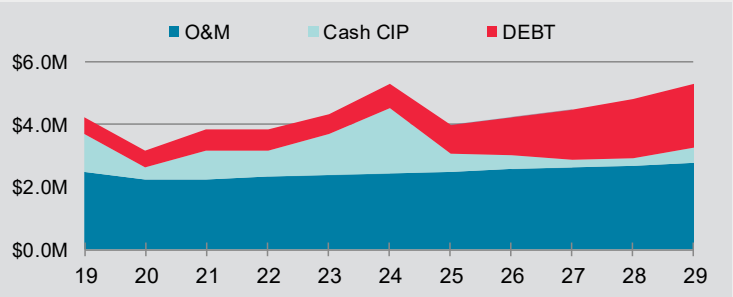
Operating Fund (Cash)



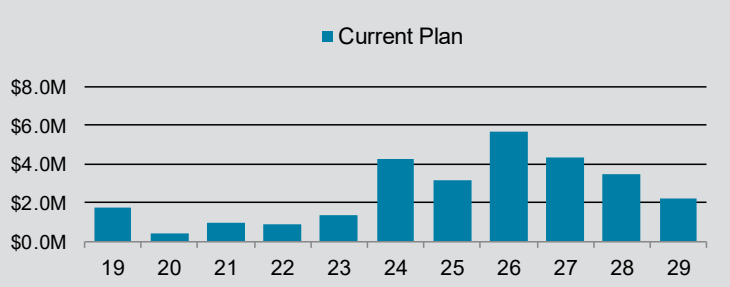
Revenues vs. Expenses



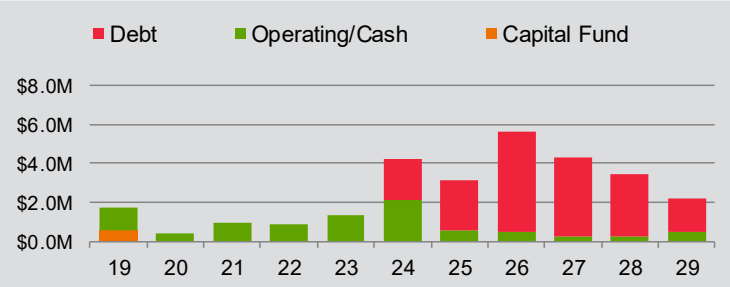
Expenses by Type



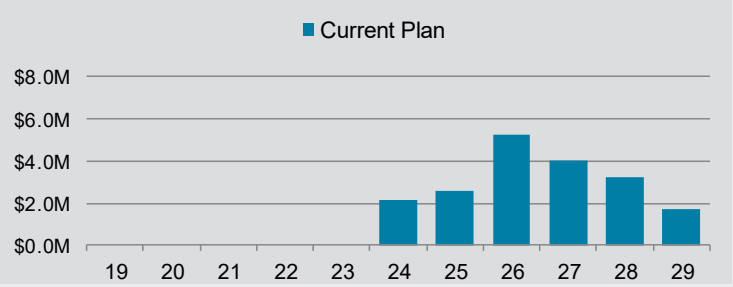
CIP Spending



CIP Funding



Borrowing



Scenario: 9% increase this year pursuing structural balance and in compliance with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

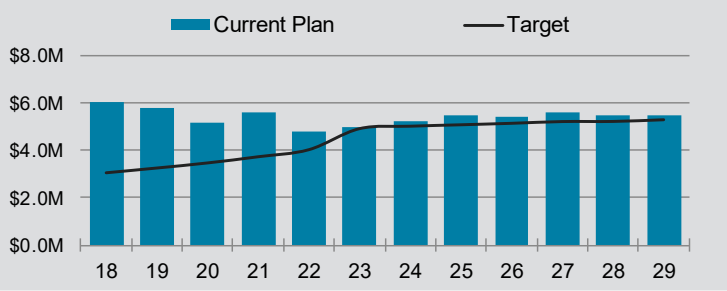
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	14.00%	14.00%	14.00%	12.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Plan	0.00%	14.00%	14.00%	14.00%	12.00%	8.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Debt Coverage	1.57	1.23	1.82	1.53	1.16	1.20	1.26	1.23	1.18	1.17	1.13
Single Family Bi-Monthly Sewer Bill	$138.92	$158.38	$180.53	$205.82	$230.49	$248.96	$261.42	$261.42	$261.42	$261.42	$261.42
Cost per Day	$2.32	$2.64	$3.01	$3.43	$3.84	$4.15	$4.36	$4.36	$4.36	$4.36	$4.36

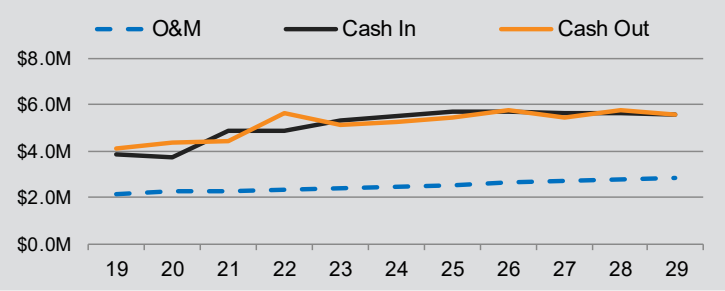
	FY 2023	FY 2028
Cumulative	79.21%	88.18%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$0

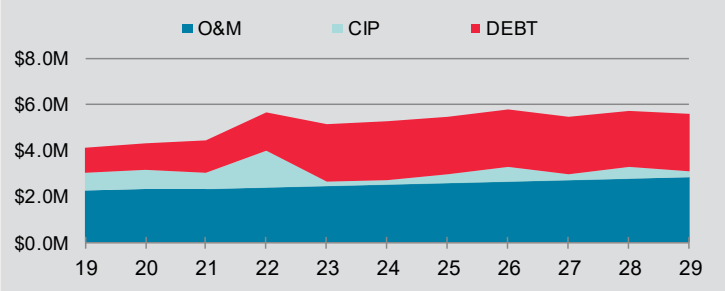
Operating Fund (Cash)



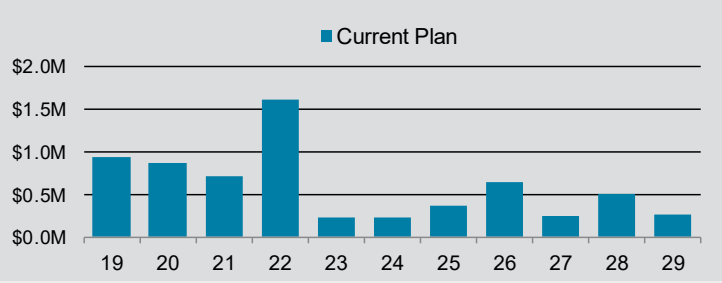
Revenues vs. Expenses



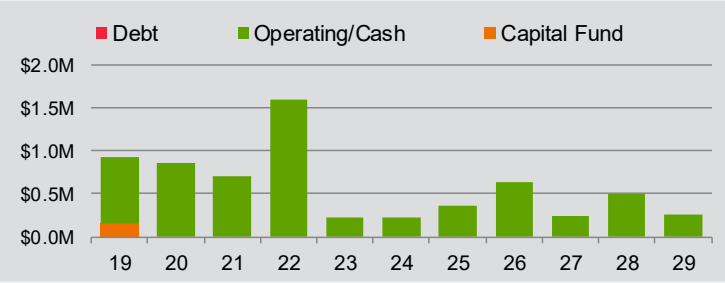
Expenses by Type



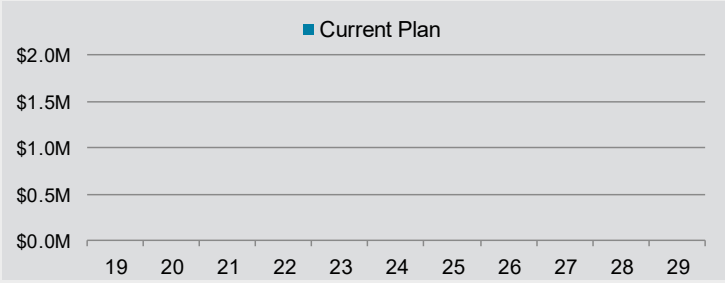
CIP Spending



CIP Funding



Borrowing



Scenario: Rates needed for us to maintain policy reserves for the next 10 years.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

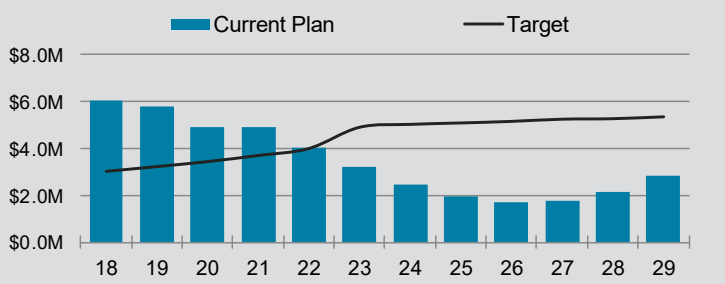
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Sewer Rate Plan	0.00%	6.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Debt Coverage	1.57	1.03	1.51	1.10	0.79	0.81	0.90	1.00	1.11	1.26	1.40
Single Family Bi-Monthly Sewer Bill	$138.92	$147.26	$159.81	$173.36	$188.07	$204.04	$221.35	$240.18	$260.62	$282.77	$306.81
Cost per Day	$2.32	$2.45	$2.66	$2.89	$3.13	$3.40	$3.69	$4.00	$4.34	$4.71	$5.11

	FY 2023	FY 2028
Cumulative	46.88%	120.85%

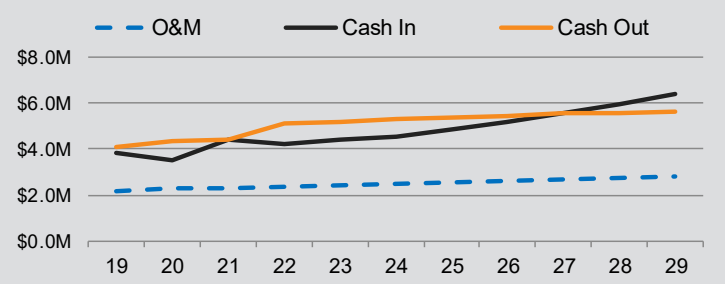
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

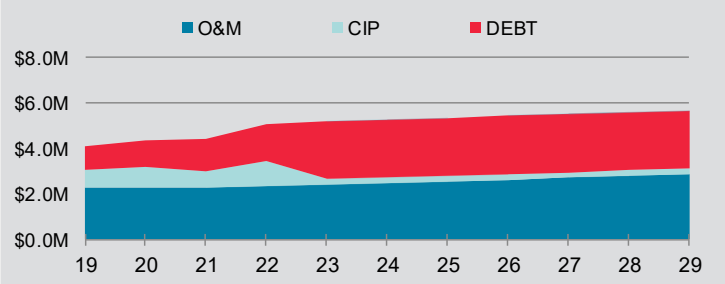
Operating Fund (Cash)



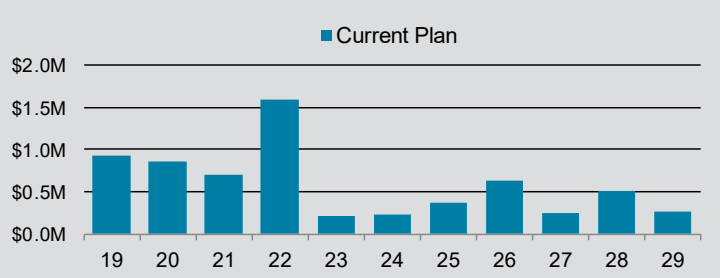
Revenues vs. Expenses



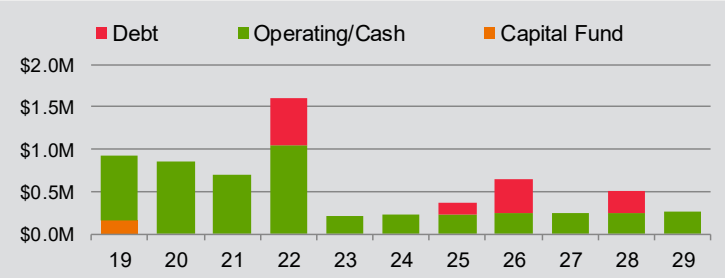
Expenses by Type



CIP Spending



CIP Funding



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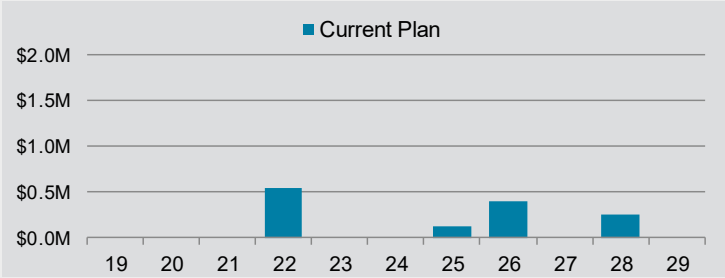


Scenario: 6% increase this year pursuing structural balance but not needing to comply with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

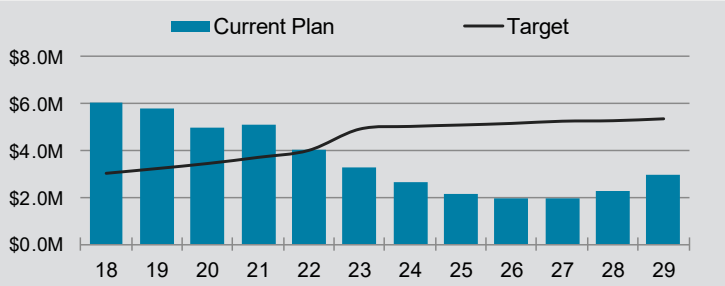
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Sewer Rate Plan	0.00%	9.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Debt Coverage	1.57	1.11	1.57	1.15	0.82	0.83	0.92	1.01	1.11	1.26	1.38
Single Family Bi-Monthly Sewer Bill	$138.92	$151.39	$163.50	$176.59	$190.76	$206.01	$222.51	$240.27	$259.47	$280.19	$302.61
Cost per Day	$2.32	$2.52	$2.73	$2.94	$3.18	$3.43	$3.71	$4.00	$4.32	$4.67	$5.04

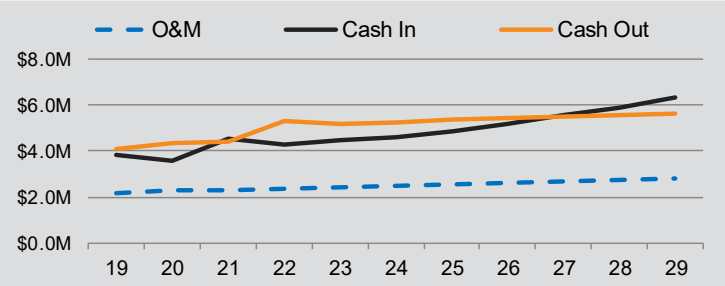
	FY 2023	FY 2028
Cumulative	48.29%	117.83%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$0

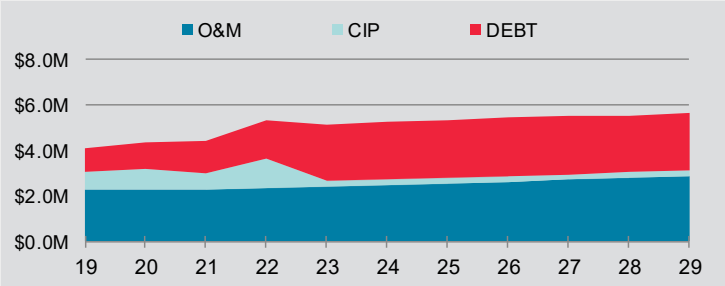
Operating Fund (Cash)



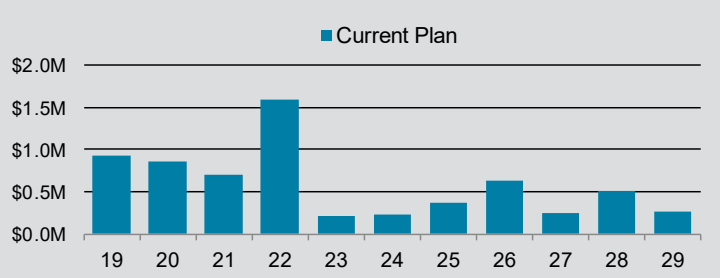
Revenues vs. Expenses



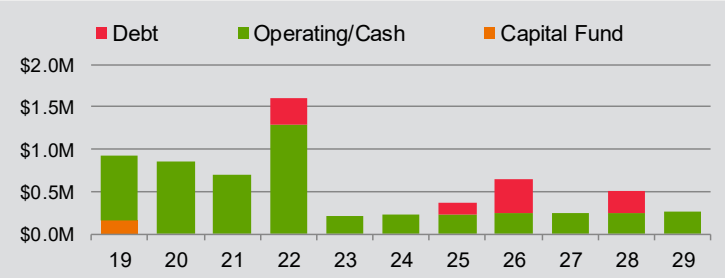
Expenses by Type



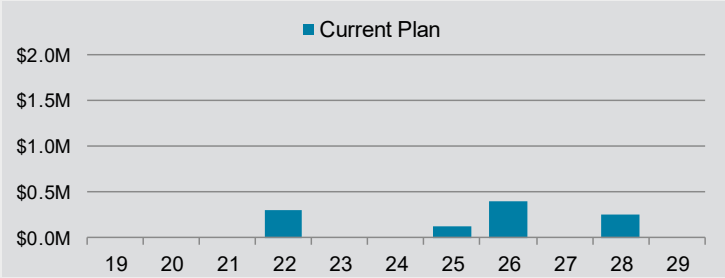
CIP Spending



CIP Funding



Borrowing



Scenario: 9% increase this year pursuing structural balance but not needing to comply with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

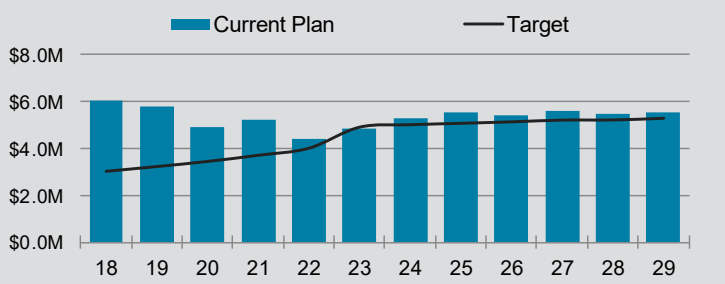
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	18.00%	18.00%	20.00%	4.00%	2.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Plan	0.00%	6.00%	18.00%	18.00%	20.00%	4.00%	2.00%	0.00%	0.00%	0.00%	0.00%
Debt Coverage	1.57	1.03	1.71	1.51	1.28	1.26	1.26	1.22	1.18	1.17	1.13
Single Family Bi-Monthly Sewer Bill	$138.92	$147.26	$173.80	$205.10	$246.09	$255.95	$261.06	$261.06	$261.06	$261.06	$261.06
Cost per Day	$2.32	$2.45	$2.90	$3.42	$4.10	$4.27	$4.35	$4.35	$4.35	$4.35	$4.35

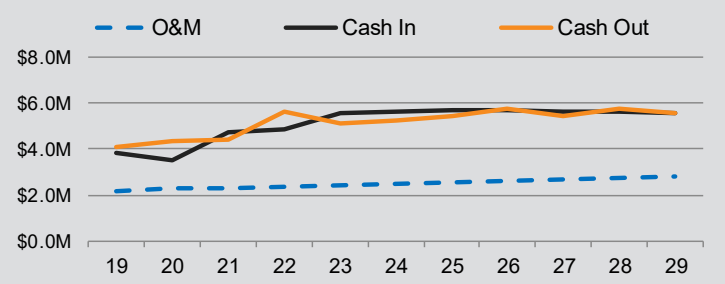
	FY 2023	FY 2028
Cumulative	84.24%	87.92%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$0

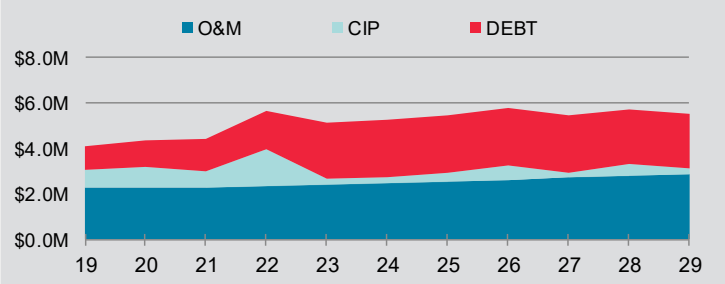
Operating Fund (Cash)



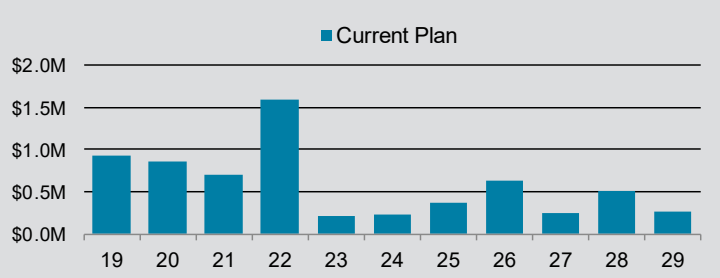
Revenues vs. Expenses



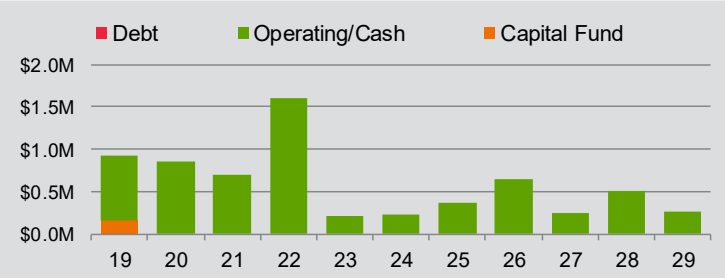
Expenses by Type



CIP Spending



CIP Funding



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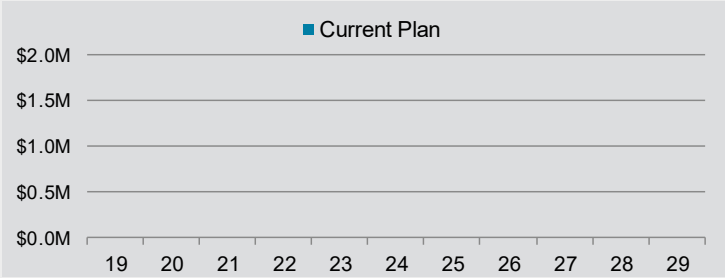


Scenario: 6% increase this year pursuing structural balance and in compliance with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

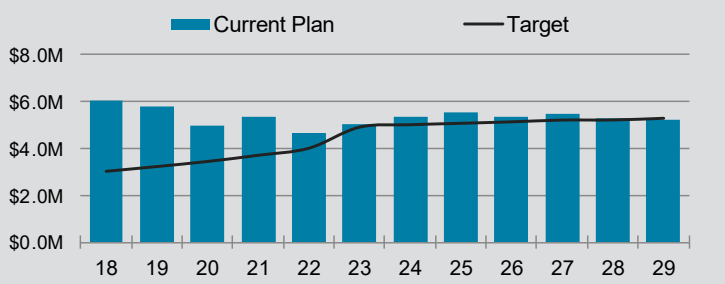
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	17.00%	17.00%	18.00%	3.00%	2.00%	0.00%	0.00%	0.00%	0.00%
Sewer Rate Plan	0.00%	9.00%	17.00%	17.00%	18.00%	3.00%	2.00%	0.00%	0.00%	0.00%	0.00%
Debt Coverage	1.57	1.11	1.77	1.54	1.27	1.23	1.23	1.19	1.15	1.14	1.09
Single Family Bi-Monthly Sewer Bill	$138.92	$151.39	$177.13	$207.26	$244.57	$251.92	$256.94	$256.94	$256.94	$256.94	$256.94
Cost per Day	$2.32	$2.52	$2.95	$3.45	$4.08	$4.20	$4.28	$4.28	$4.28	$4.28	$4.28

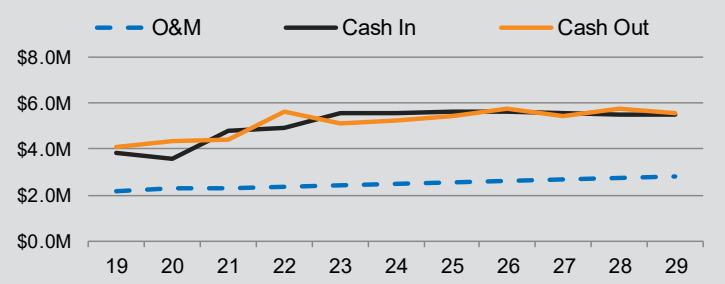
	FY 2023	FY 2028
	Cumulative	
	81.34%	84.96%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$0

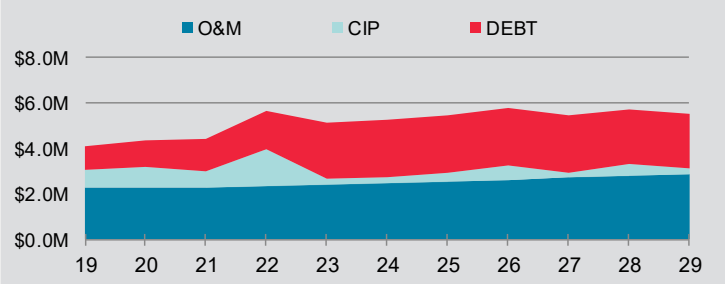
Operating Fund (Cash)



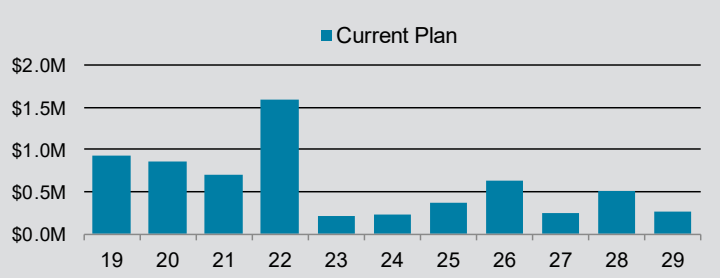
Revenues vs. Expenses



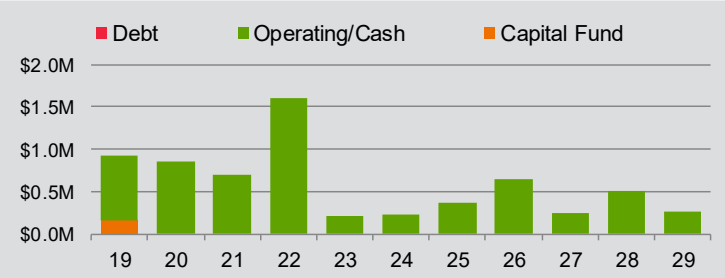
Expenses by Type



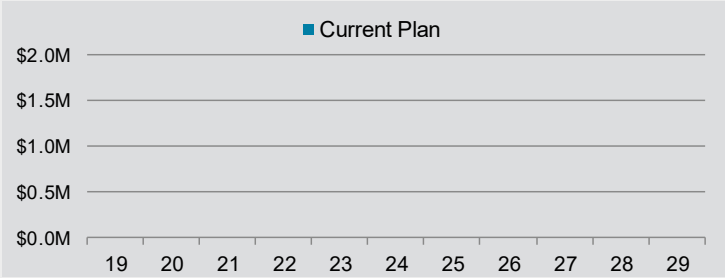
CIP Spending



CIP Funding



Borrowing



Scenario: 9% increase this year pursuing structural balance and in compliance with the policy reserves.

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

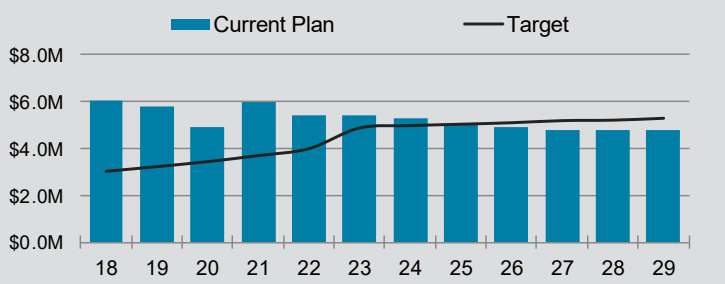
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Sewer Rate Plan	0.00%	6.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Debt Coverage	1.57	1.03	2.26	1.67	1.10	1.04	1.05	1.06	1.06	1.10	1.11
Single Family Bi-Monthly Sewer Bill	$138.92	$147.26	$152.38	$157.68	$163.24	$168.98	$174.90	$181.00	$187.36	$193.91	$200.72
Cost per Day	$2.32	$2.45	$2.54	$2.63	$2.72	$2.82	$2.92	$3.02	$3.12	$3.23	$3.35

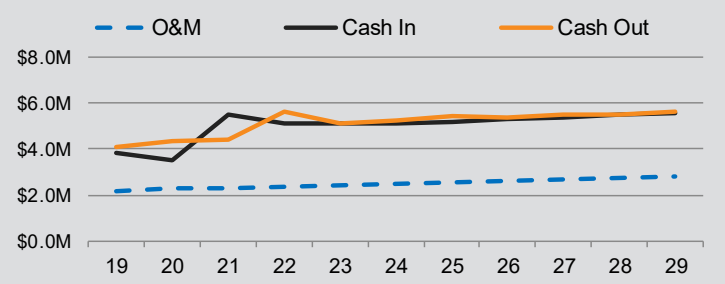
	FY 2023	FY 2028
	Cumulative	
Sewer Rate Plan	21.64%	44.49%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$1,200,000

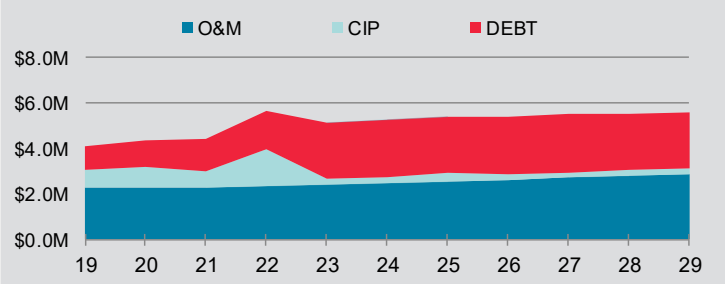
Operating Fund (Cash)



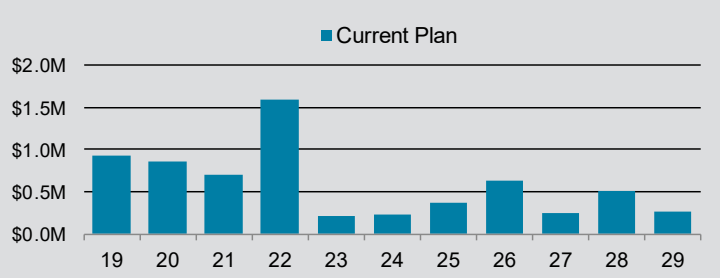
Revenues vs. Expenses



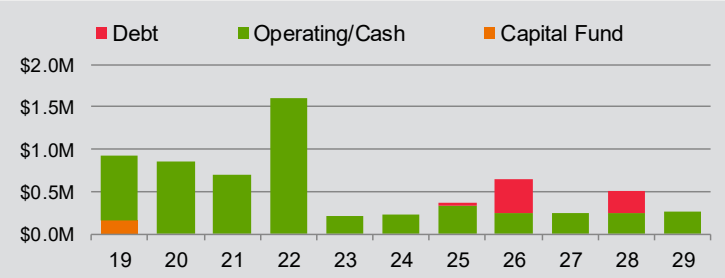
Expenses by Type



CIP Spending



CIP Funding



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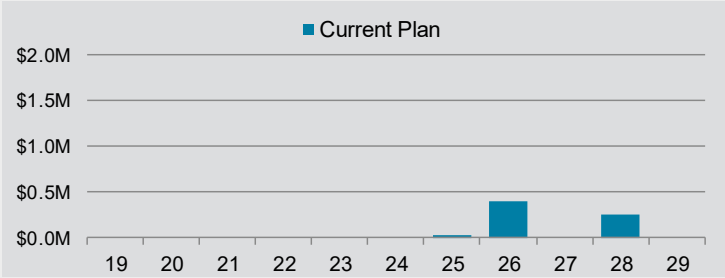


Scenario: 6% increase this year pursuing structural balance but not needing to comply with the policy reserves, but including 3% in meals tax revenue going into the Wastewater fund starting FY 21

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

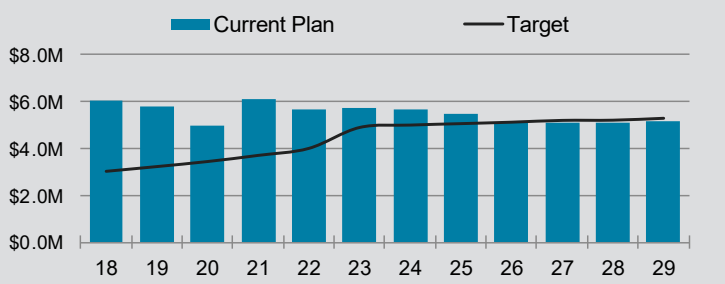
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Sewer Rate Plan	0.00%	9.00%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Debt Coverage	1.57	1.11	2.32	1.71	1.13	1.07	1.08	1.09	1.09	1.13	1.13
Single Family Bi-Monthly Sewer Bill	$138.92	$151.39	$156.32	$161.43	$166.72	$172.11	$177.67	$183.41	$189.33	$195.51	$201.88
Cost per Day	$2.32	$2.52	$2.61	$2.69	$2.78	$2.87	$2.96	$3.06	$3.16	$3.26	$3.36

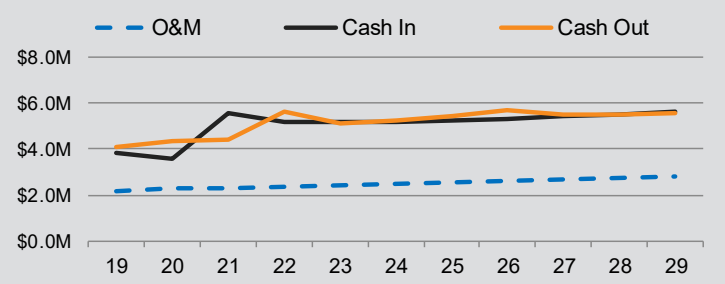
	FY 2023	FY 2028
	Cumulative	
Sewer Rate Plan	23.89%	45.32%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$1,200,000

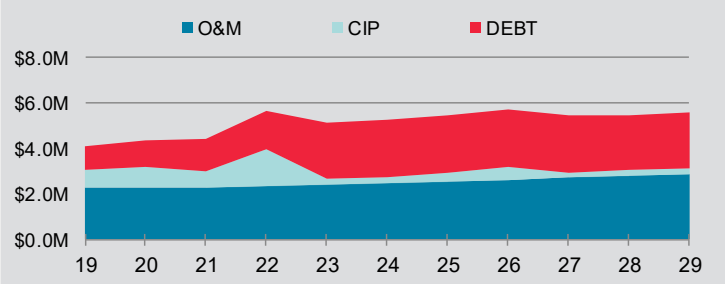
Operating Fund (Cash)



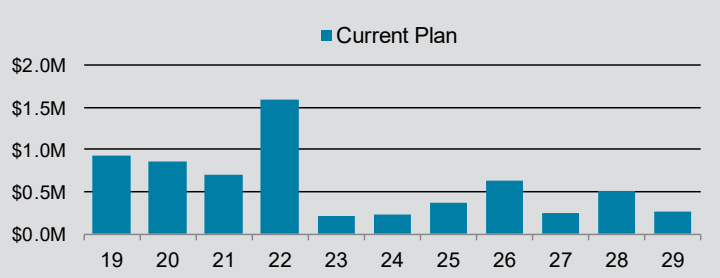
Revenues vs. Expenses



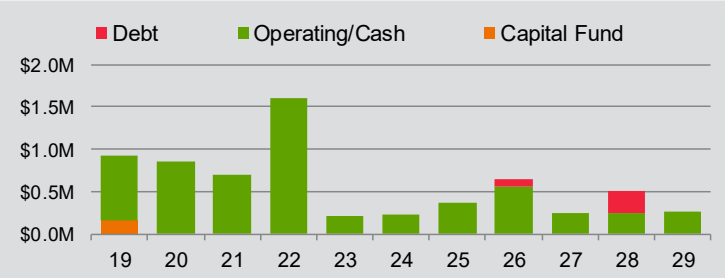
Expenses by Type



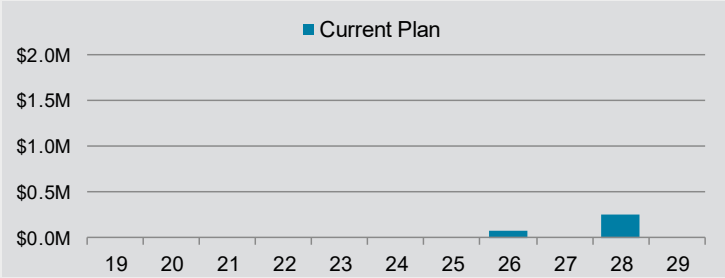
CIP Spending



CIP Funding



Borrowing



Scenario: 9% increase this year pursuing structural balance but not needing to comply with the policy reserves, but including 3% in meals tax revenue going into the Wastewater fund starting FY 21

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

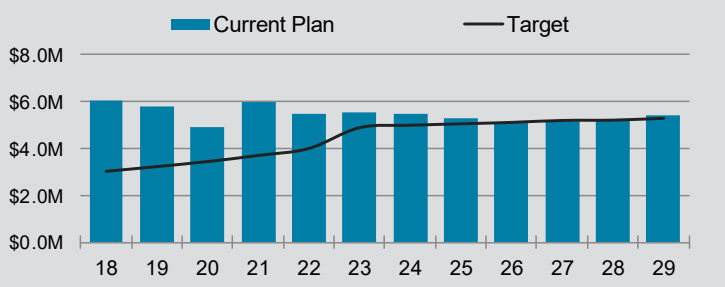
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Sewer Rate Plan	0.00%	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Debt Coverage	1.57	1.03	2.27	1.68	1.12	1.07	1.09	1.11	1.12	1.17	1.19
Single Family Bi-Monthly Sewer Bill	$138.92	$147.26	$153.18	$159.28	$165.65	$172.29	$179.19	$186.36	$193.80	$201.52	$209.59
Cost per Day	$2.32	$2.45	$2.55	$2.65	$2.76	$2.87	$2.99	$3.11	$3.23	$3.36	$3.49

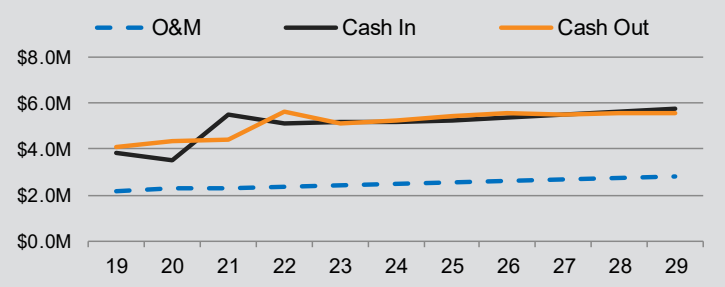
	FY 2023	FY 2028
	Cumulative	
Sewer Rate Plan	24.02%	50.87%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$1,200,000

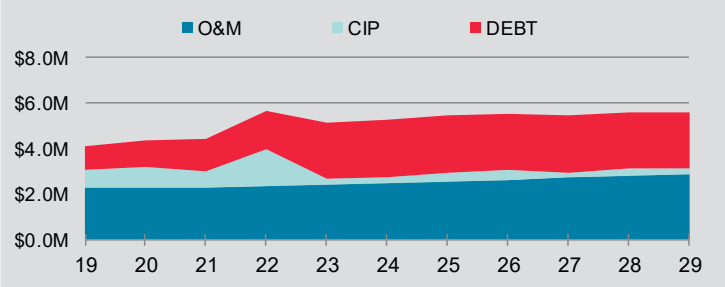
Operating Fund (Cash)



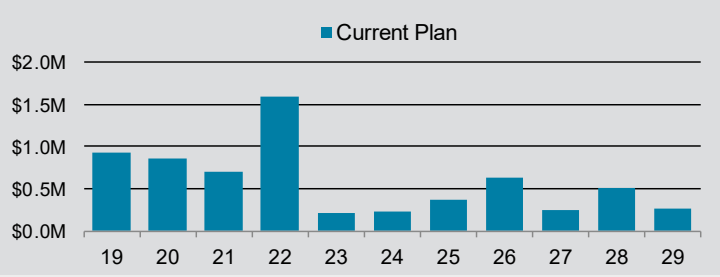
Revenues vs. Expenses



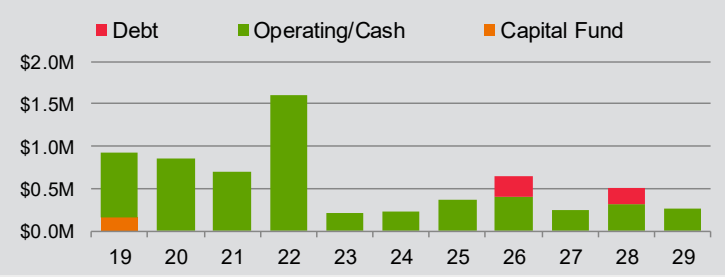
Expenses by Type



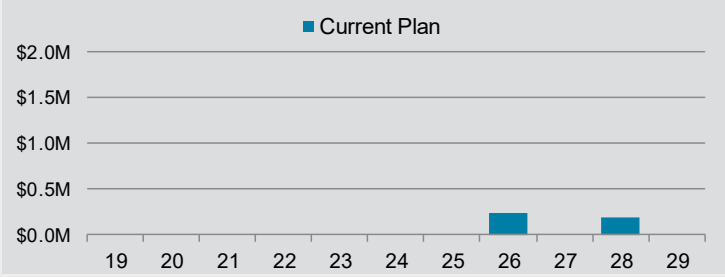
CIP Spending



CIP Funding



Borrowing



Scenario: 6% increase this year pursuing structural balance and in compliance with the policy reserves, including 3% in meals tax revenue going into the Wastewater fund starting FY 21

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

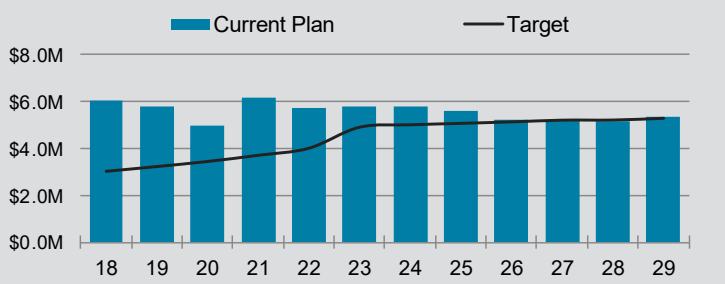
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	9.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Sewer Rate Plan	0.00%	9.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Debt Coverage	1.57	1.11	2.32	1.72	1.14	1.08	1.10	1.11	1.12	1.16	1.18
Single Family Bi-Monthly Sewer Bill	$138.92	$151.39	$156.68	$162.15	$167.80	$173.63	$179.73	$186.01	$192.55	$199.28	$206.27
Cost per Day	$2.32	$2.52	$2.61	$2.70	$2.80	$2.89	$3.00	$3.10	$3.21	$3.32	$3.44

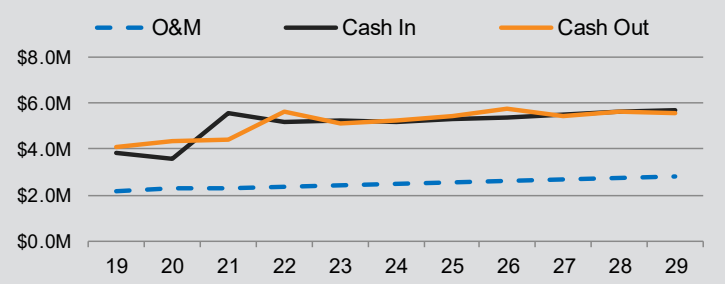
	FY 2023	FY 2028
	Cumulative	
	24.99%	48.48%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$1,200,000

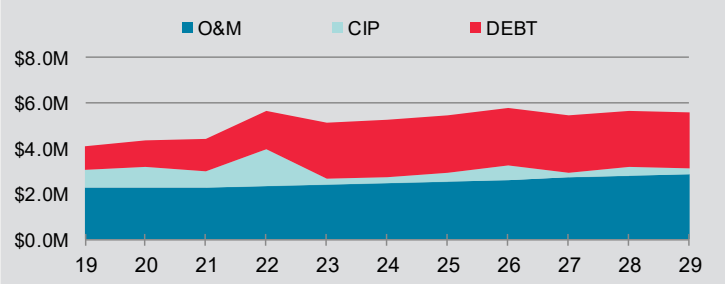
Operating Fund (Cash)



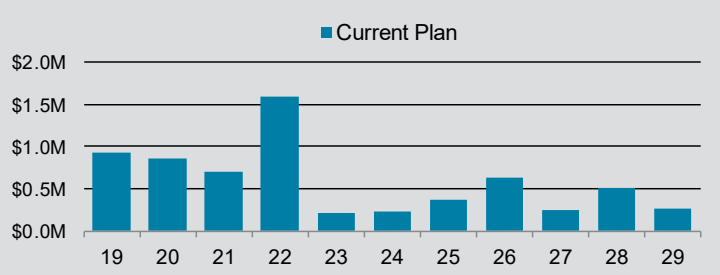
Revenues vs. Expenses



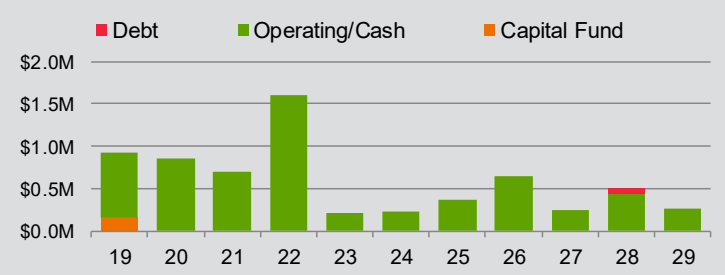
Expenses by Type



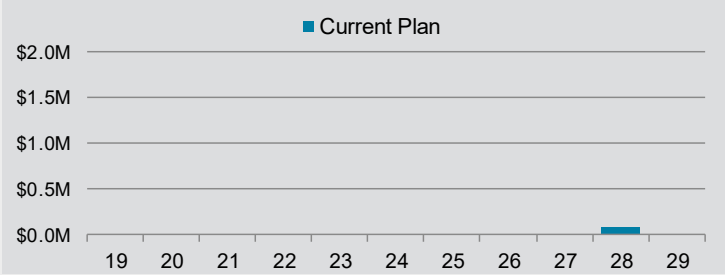
CIP Spending



CIP Funding



Borrowing



Scenario: 9% increase this year pursuing structural balance and in compliance with the policy reserves, including 3% in meals tax revenue going into the Wastewater fund starting FY 21

UTILITY RATE MODEL SCENARIOS

(Mayor, 5/9/19)

Assumptions & Variables:

(Water fund, starting in FY 21 after the 3% increases in FY20 and 2%-3% annual increases ongoing)

- 100% cut in projected CIP expense
- 50% cut in the projected CIP expense
- 25% cut in the projected CIP expense
- 10% cut in the projected CIP expense
- 5% cut in the projected CIP expense

(Wastewater fund, starting in FY 21 after the 3% increases in FY20 and 2%-3% annual increases ongoing)

- 100% cut in projected CIP expense
- 50% cut in the projected CIP expense
- 25% cut in the projected CIP expense
- 10% cut in the projected CIP expense
- 5% cut in the projected CIP expense
- 0% cut in the projected CIP with the addition of Hamilton Scenario of 50 homes connected to wastewater

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

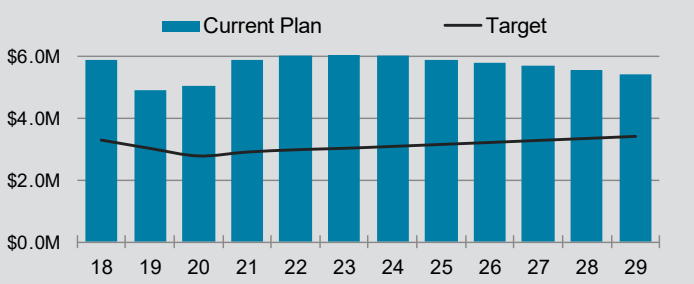
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.51	2.01	2.31	1.26	1.17	0.93	0.92	0.91	0.89	0.88	0.87
CIP Execution %	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$77.69	$80.03	$82.41	$84.89	$87.46	$90.08	$92.79	$95.60	$98.46
Cost per Day	$1.22	$1.26	$1.29	$1.33	$1.37	$1.41	$1.46	$1.50	$1.55	$1.59	$1.64

	FY 2023	FY 2028
Cumulative	15.93%	34.40%

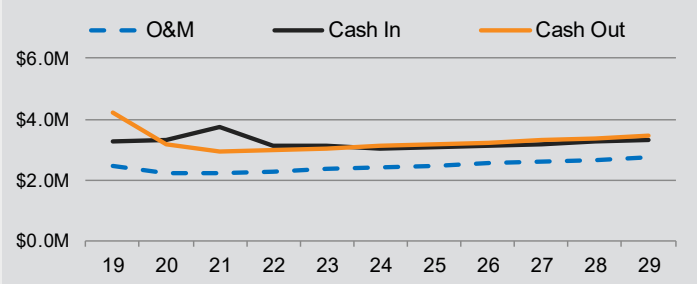
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

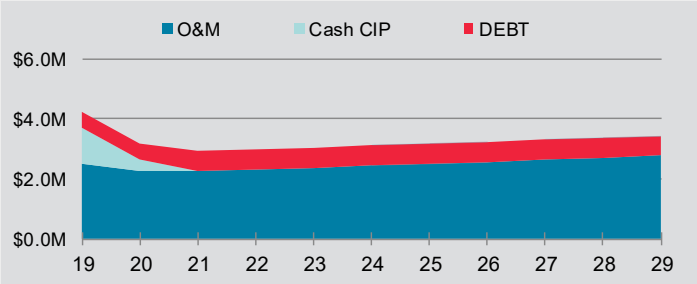
Operating Fund (Cash)



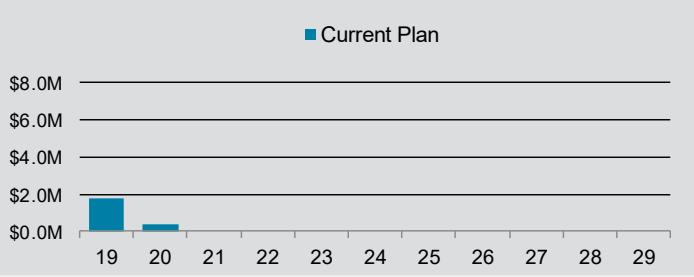
Revenues vs. Expenses



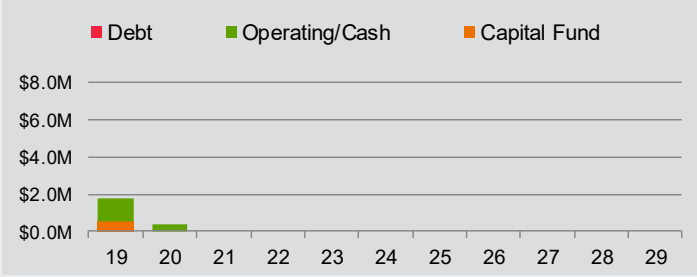
Expenses by Type



CIP Spending



CIP Funding



Borrowing

Scenario: 100% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

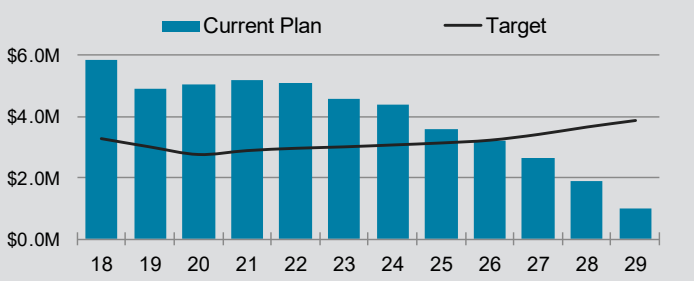
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.51	2.01	2.30	1.24	1.14	0.88	0.83	0.68	0.55	0.46	0.41
CIP Execution %	100%	100%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$77.69	$80.03	$82.41	$84.89	$87.46	$90.08	$92.79	$95.60	$98.46
Cost per Day	$1.22	$1.26	$1.29	$1.33	$1.37	$1.41	$1.46	$1.50	$1.55	$1.59	$1.64

	FY 2023	FY 2028
Cumulative	15.93%	34.40%

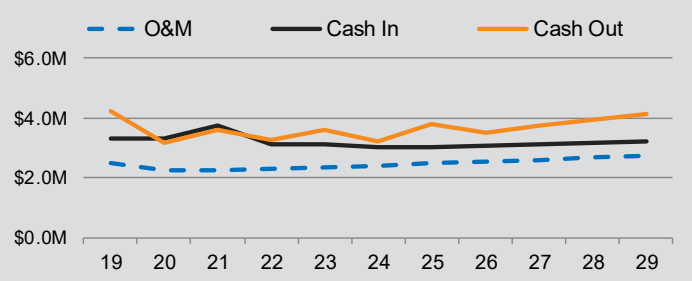
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

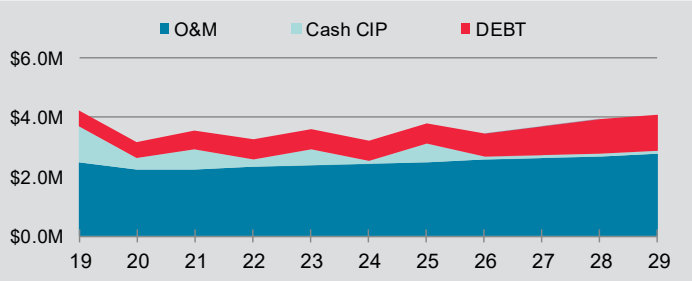
Operating Fund (Cash)



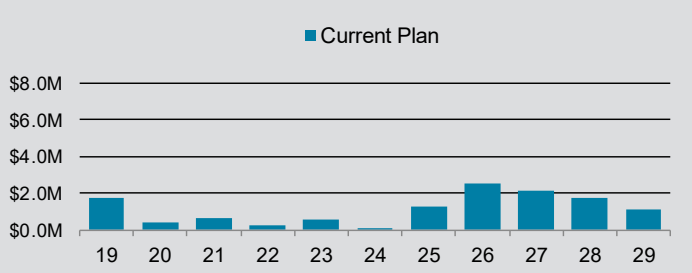
Revenues vs. Expenses



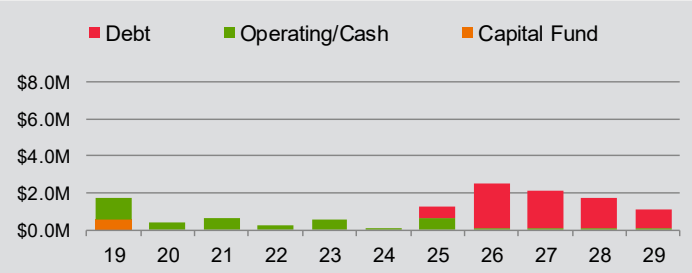
Expenses by Type



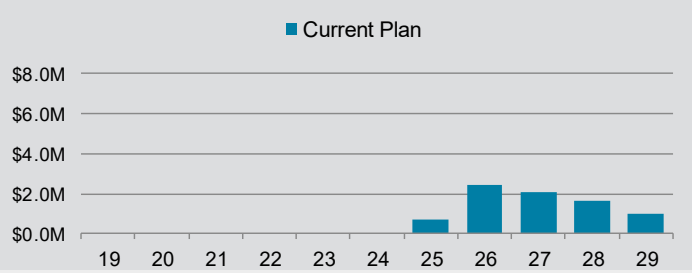
CIP Spending



CIP Funding



Borrowing



Scenario: 50% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

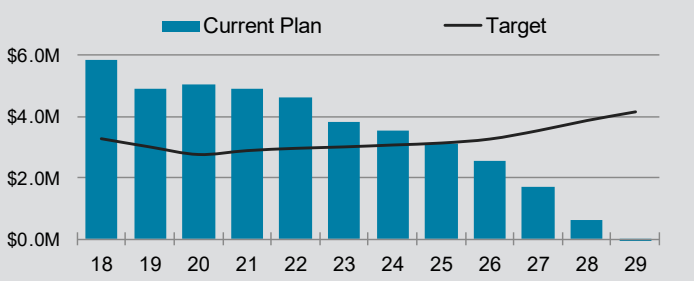
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.51	2.01	2.29	1.23	1.12	0.86	0.76	0.58	0.44	0.35	0.30
CIP Execution %	100%	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$77.69	$80.03	$82.41	$84.89	$87.46	$90.08	$92.79	$95.60	$98.46
Cost per Day	$1.22	$1.26	$1.29	$1.33	$1.37	$1.41	$1.46	$1.50	$1.55	$1.59	$1.64

	FY 2023	FY 2028
Cumulative	15.93%	34.40%

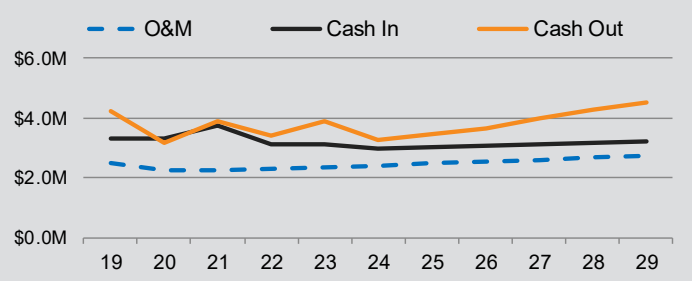
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

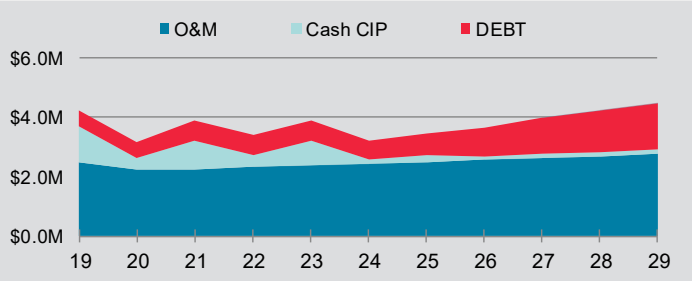
Operating Fund (Cash)



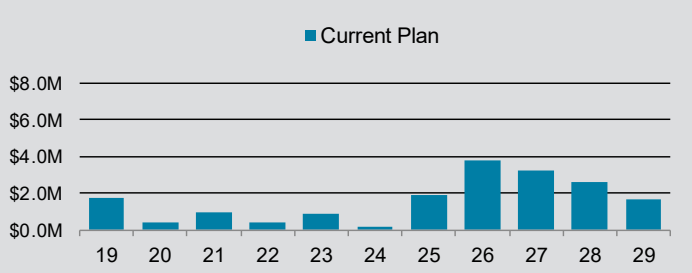
Revenues vs. Expenses



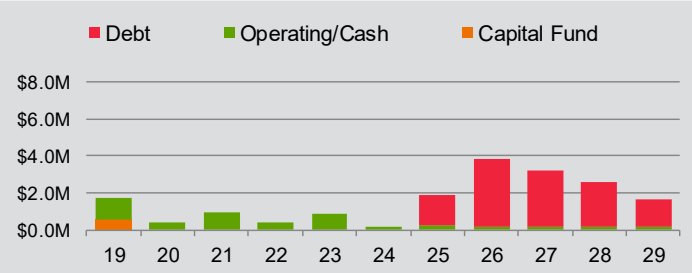
Expenses by Type



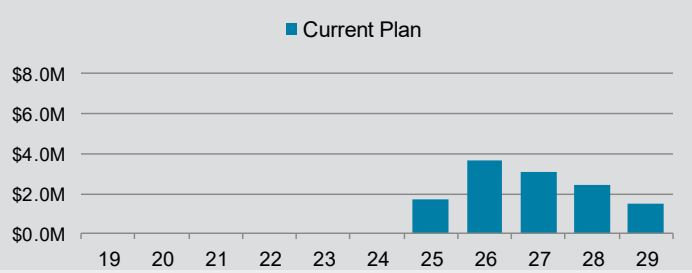
CIP Spending



CIP Funding



Borrowing



Scenario: 25% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

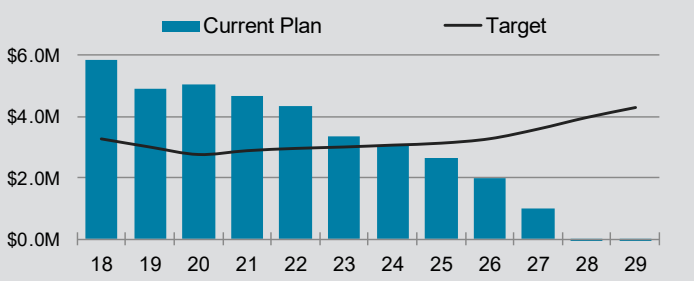
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.51	2.01	2.29	1.22	1.11	0.85	0.74	0.53	0.39	0.30	0.27
CIP Execution %	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$77.69	$80.03	$82.41	$84.89	$87.46	$90.08	$92.79	$95.60	$98.46
Cost per Day	$1.22	$1.26	$1.29	$1.33	$1.37	$1.41	$1.46	$1.50	$1.55	$1.59	$1.64

	FY 2023	FY 2028
Cumulative	15.93%	34.40%

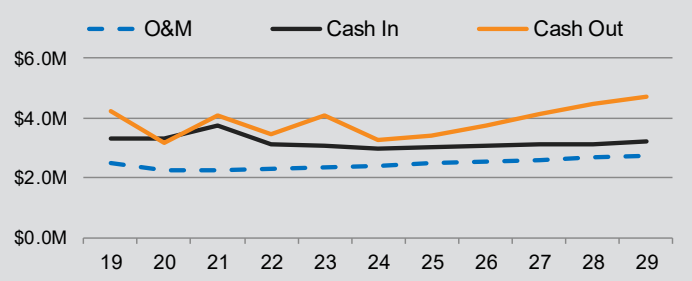
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

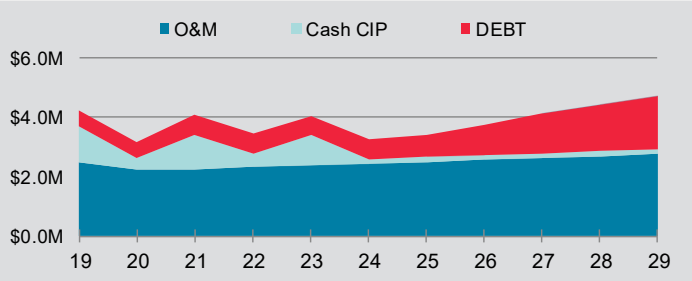
Operating Fund (Cash)



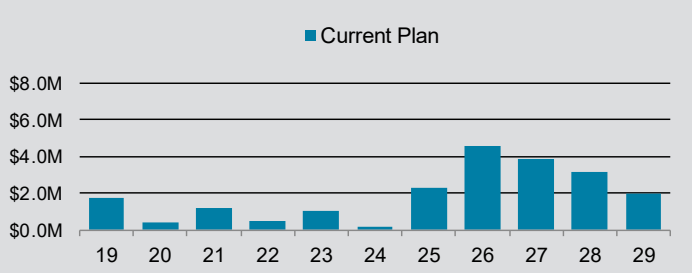
Revenues vs. Expenses



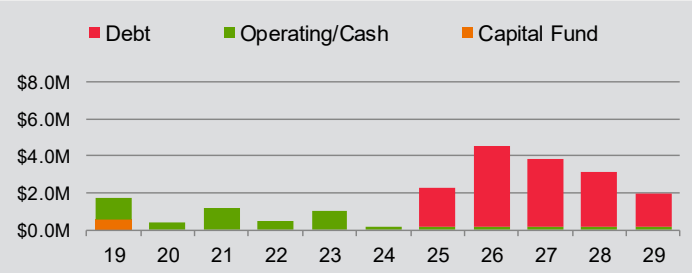
Expenses by Type



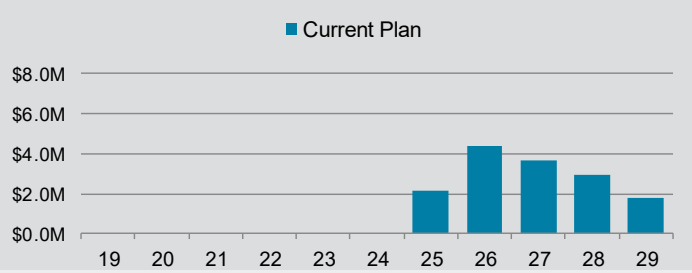
CIP Spending



CIP Funding



Borrowing



Scenario: 10% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

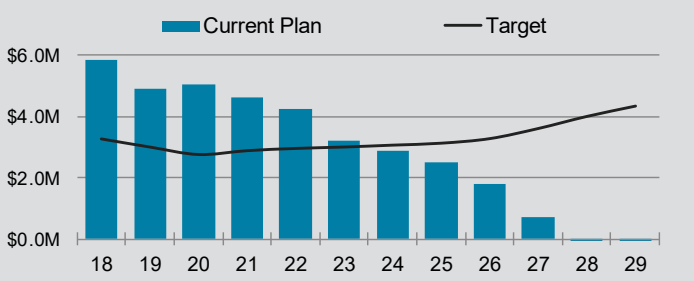
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Water Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.51	2.01	2.29	1.22	1.10	0.84	0.73	0.52	0.38	0.29	0.26
CIP Execution %	100%	100%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$77.69	$80.03	$82.41	$84.89	$87.46	$90.08	$92.79	$95.60	$98.46
Cost per Day	$1.22	$1.26	$1.29	$1.33	$1.37	$1.41	$1.46	$1.50	$1.55	$1.59	$1.64

	FY 2023	FY 2028
Cumulative	15.93%	34.40%

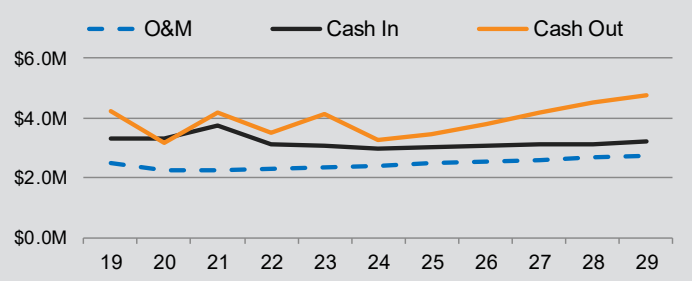
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

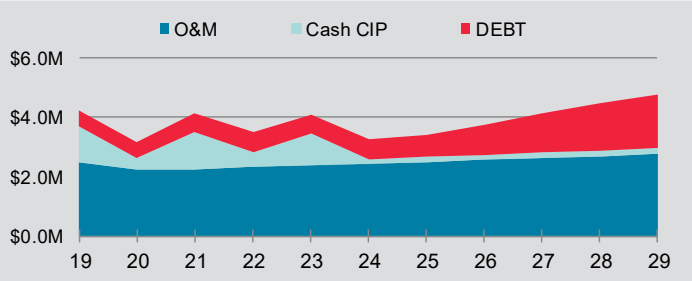
Operating Fund (Cash)



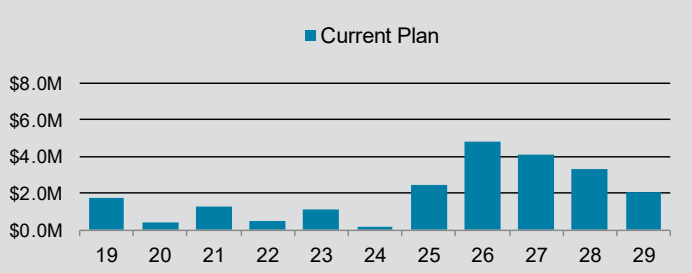
Revenues vs. Expenses



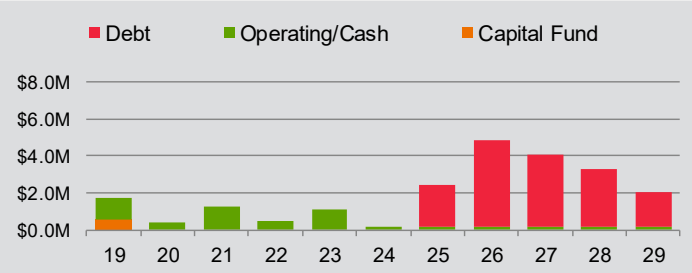
Expenses by Type



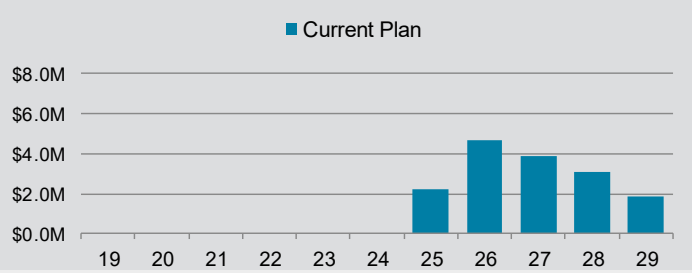
CIP Spending



CIP Funding



Borrowing



Scenario: 5% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

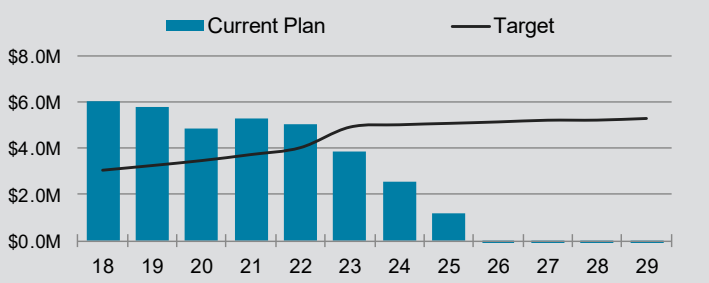
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.33	0.86	0.55	0.48	0.48	0.47	0.47	0.49	0.49
CIP Execution %	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

	FY 2023	FY 2028
Cumulative	15.89%	34.35%

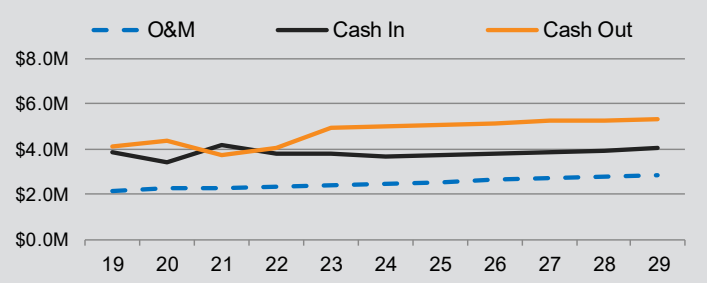
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

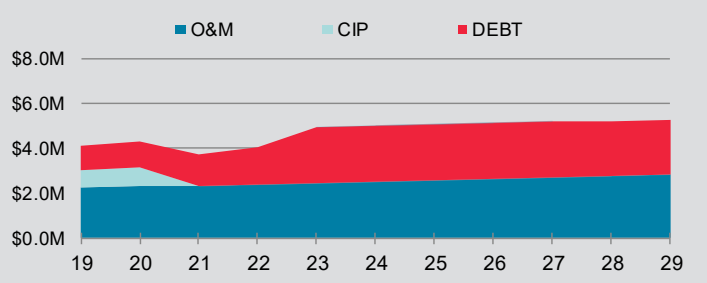
Operating Fund (Cash)



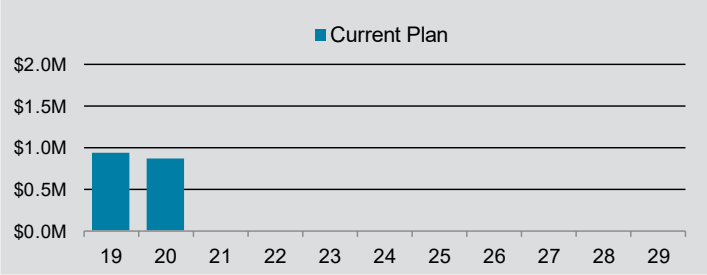
Revenues vs. Expenses



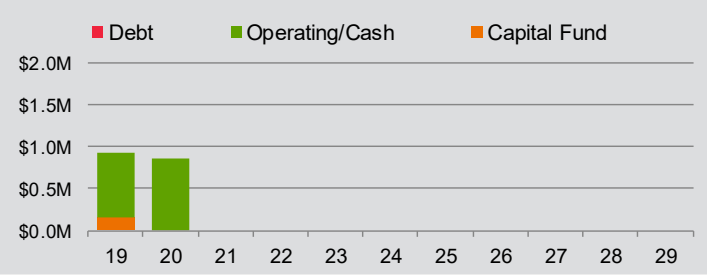
Expenses by Type



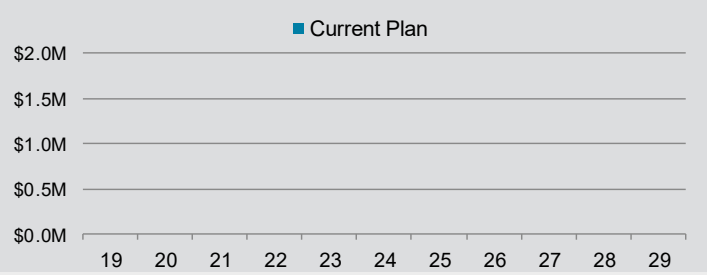
CIP Spending



CIP Funding



Borrowing



Scenario: 100% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

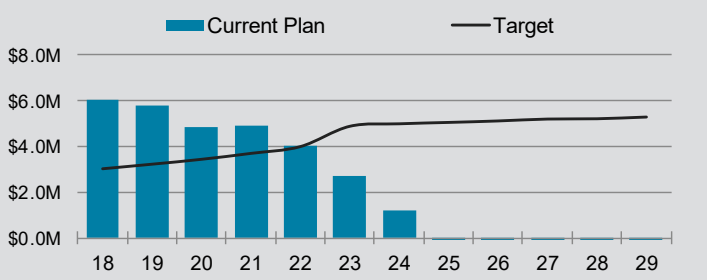
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.33	0.85	0.54	0.47	0.46	0.46	0.46	0.48	0.48
CIP Execution %	100%	100%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

	FY 2023	FY 2028
Cumulative	15.89%	34.35%

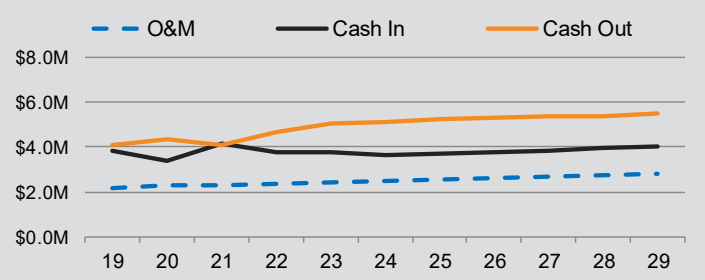
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

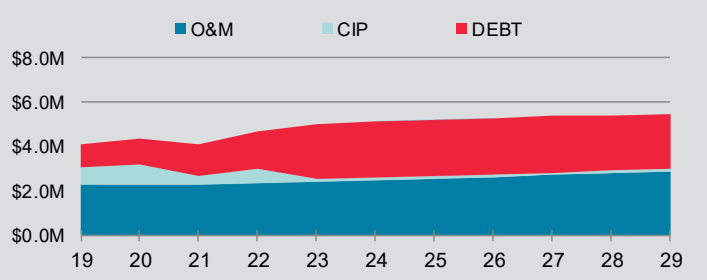
Operating Fund (Cash)



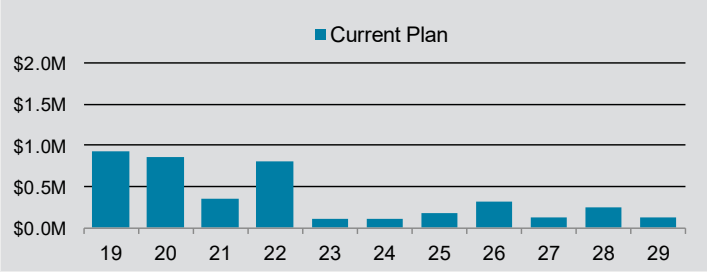
Revenues vs. Expenses



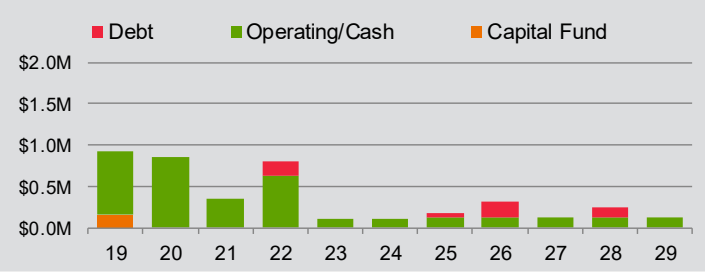
Expenses by Type



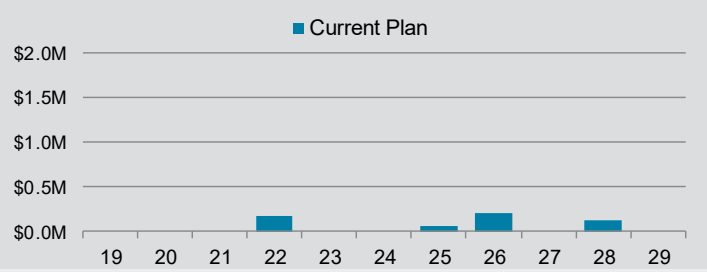
CIP Spending



CIP Funding



Borrowing



Scenario: 50% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

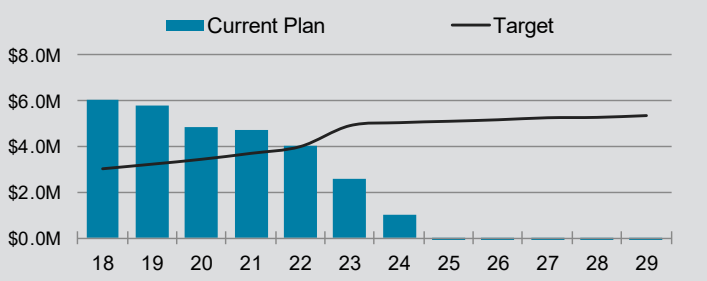
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.33	0.83	0.53	0.46	0.45	0.45	0.45	0.47	0.47
CIP Execution %	100%	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

	FY 2023	FY 2028
Cumulative	15.89%	34.35%

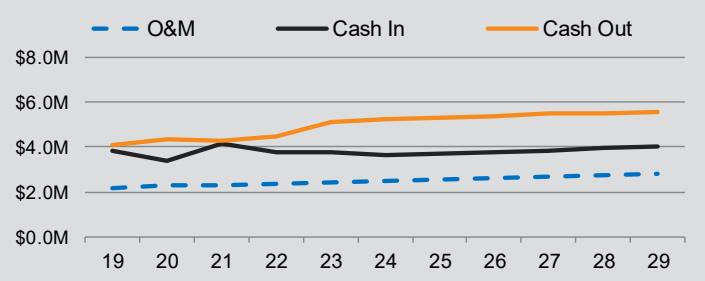
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

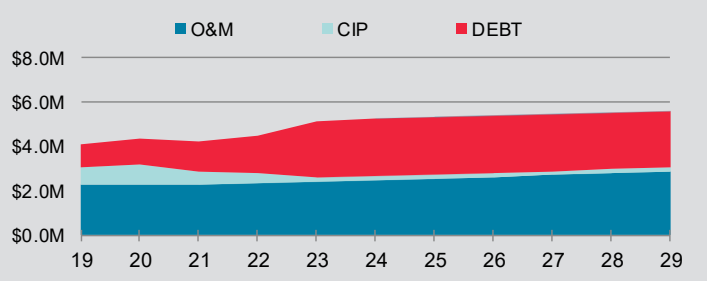
Operating Fund (Cash)



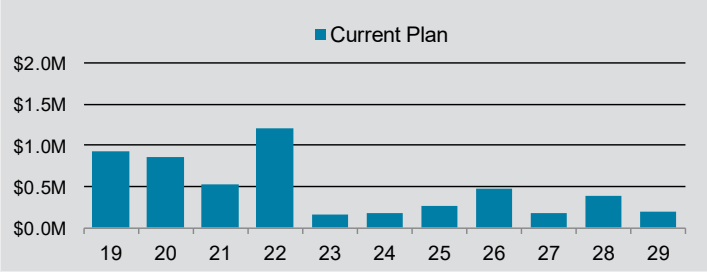
Revenues vs. Expenses



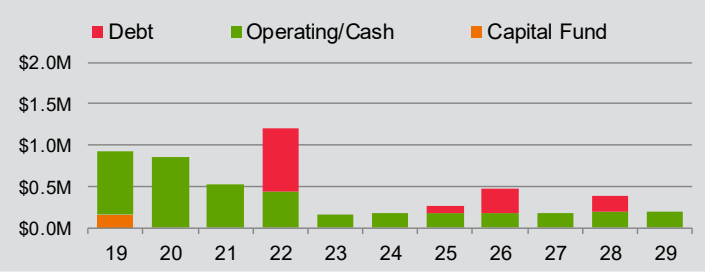
Expenses by Type



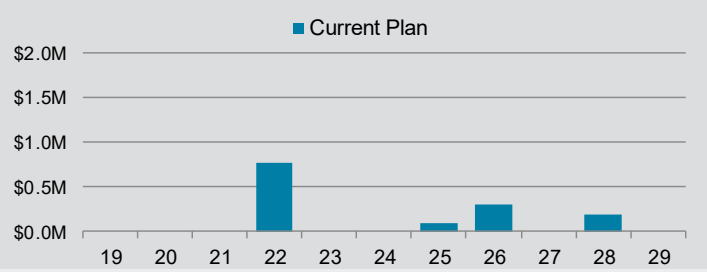
CIP Spending



CIP Funding



Borrowing



Scenario: 25% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

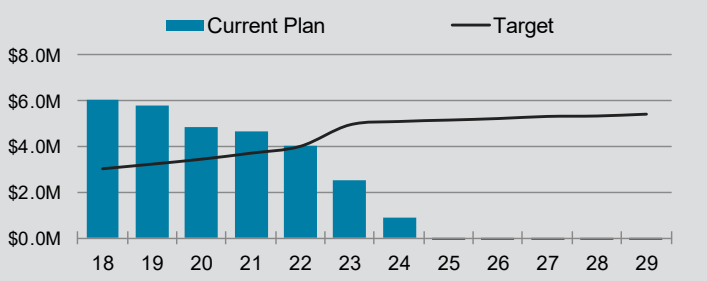
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.33	0.83	0.52	0.45	0.44	0.45	0.45	0.46	0.46
CIP Execution %	100%	100%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

	FY 2023	FY 2028
Cumulative	15.89%	34.35%

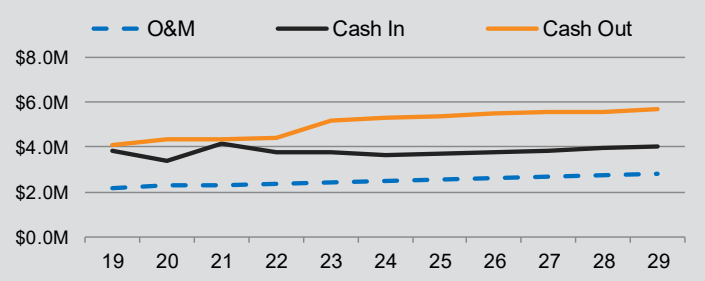
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

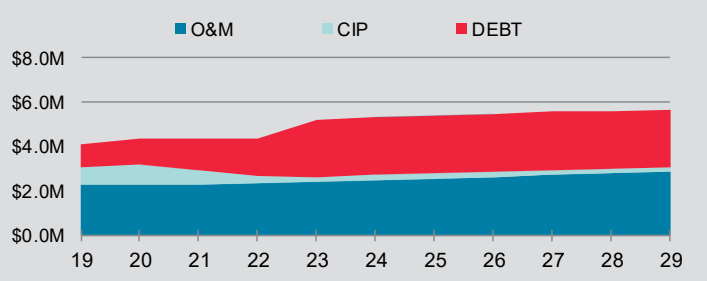
Operating Fund (Cash)



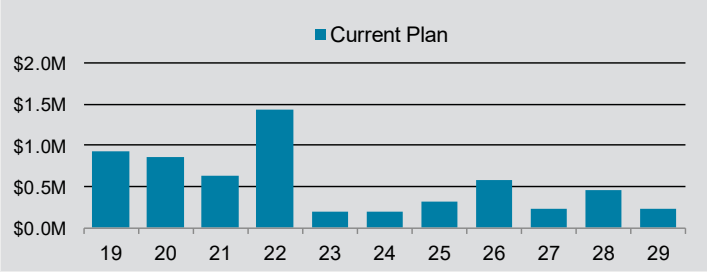
Revenues vs. Expenses



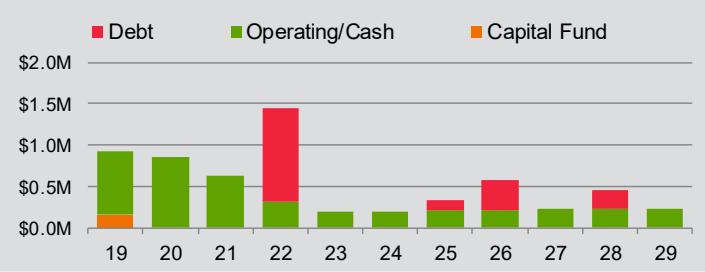
Expenses by Type



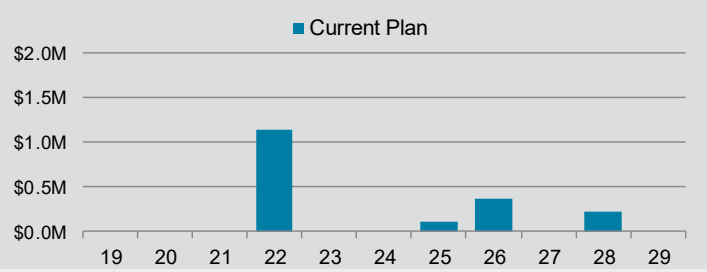
CIP Spending



CIP Funding



Borrowing



Scenario: 10% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

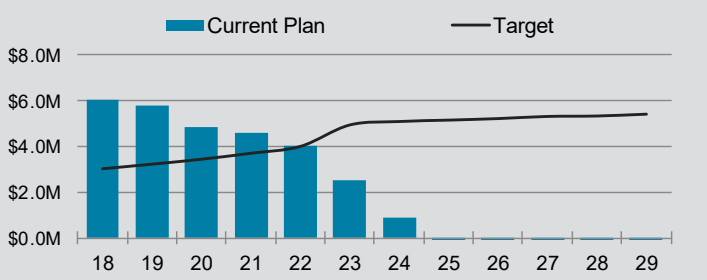
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.33	0.82	0.52	0.45	0.44	0.44	0.44	0.46	0.46
CIP Execution %	100%	100%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

	FY 2023	FY 2028
Cumulative	15.89%	34.35%

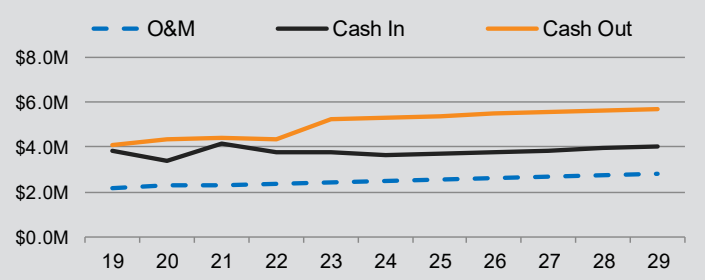
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

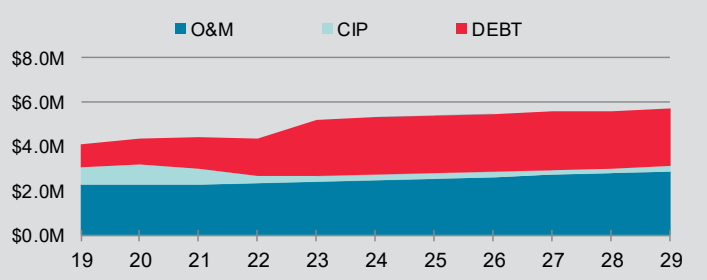
Operating Fund (Cash)



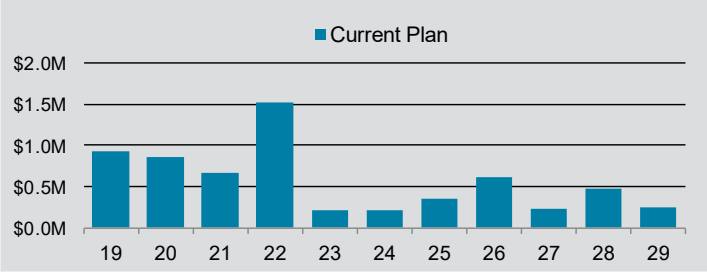
Revenues vs. Expenses



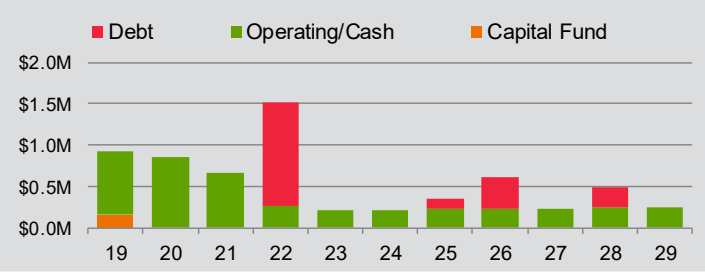
Expenses by Type



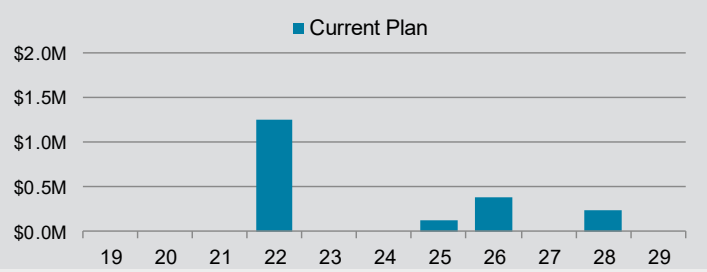
CIP Spending



CIP Funding



Borrowing



Scenario: 5% cut in projected CIP expense

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

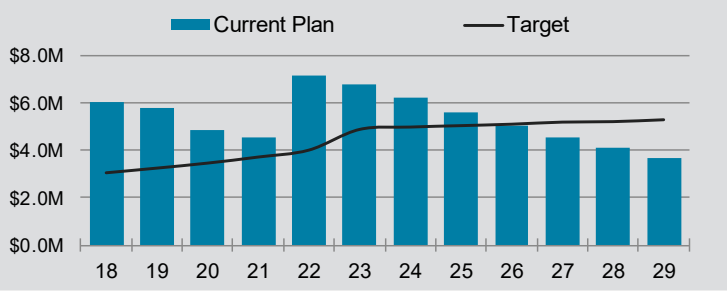
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sewer Rate Plan	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Coverage	1.57	0.96	1.32	3.56	0.94	0.88	0.90	0.90	0.91	0.94	0.95
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$147.35	$151.75	$156.32	$160.99	$165.83	$170.77	$175.88	$181.17	$186.64
Cost per Day	$2.32	$2.38	$2.46	$2.53	$2.61	$2.68	$2.76	$2.85	$2.93	$3.02	$3.11

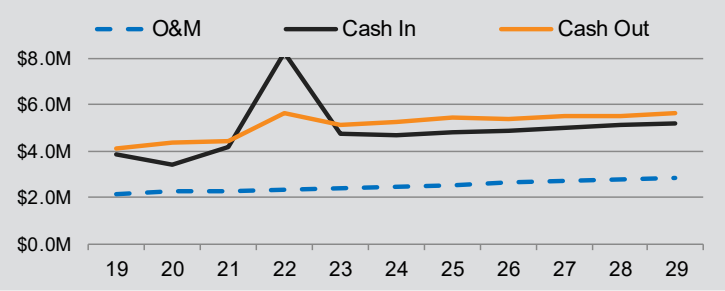
	FY 2023	FY 2028
Cumulative	15.89%	34.35%

Scenario Manager	
Chargeback	Budget
Meals Tax Transfer	$0

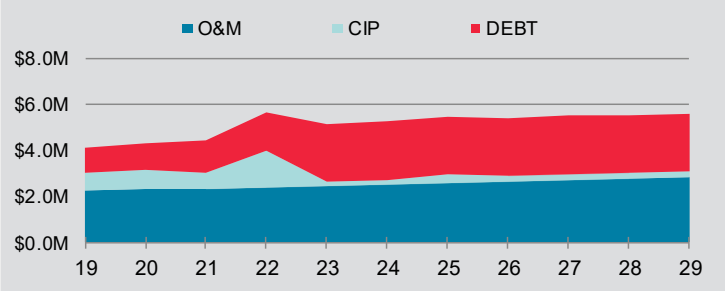
Operating Fund (Cash)



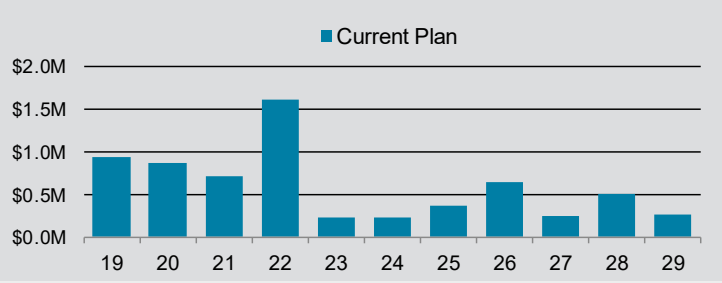
Revenues vs. Expenses



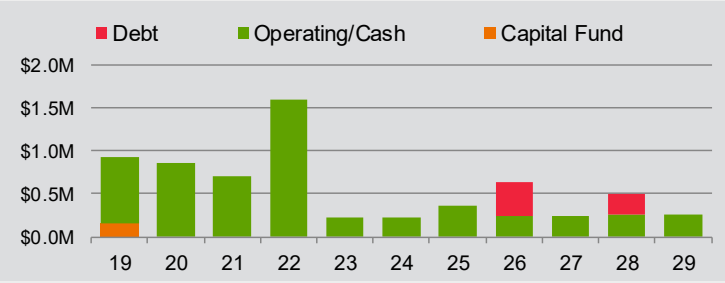
Expenses by Type



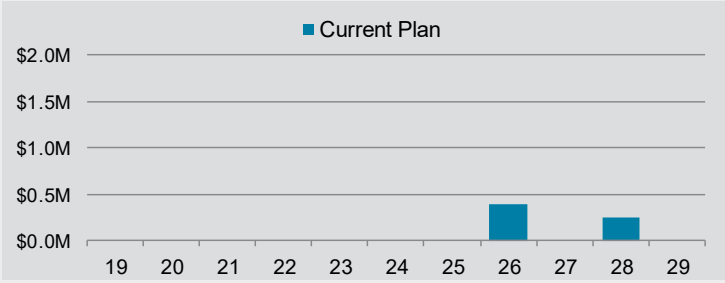
CIP Spending



CIP Funding



Borrowing



Scenario: 0% cut in CIP. Assumes Hamilton joins in 2022, paying a buy-in fee of $3.5M, generating 160,000 gallons per day and charged a wholesale rate of 90% of retail sewer rates.

UTILITY RATE MODEL SCENARIOS

(CM Stinnette, 5/19/19)

Assumptions & Variables:

(Water fund, for FY21 and beyond, Stantec model)

- Assume 75% of baseline CIP
- Program an annual 4.5% rate increase beginning this Dec (additional 1.5 over current proposed 3.0%)

(Wastewater fund, for FY21 and beyond, Stantec model)

- Assume 75% of baseline CIP
- Program an annual 4.5% rate increase beginning this Dec (additional 1.5% over current proposed 3.0%)
- Reduce charge back by 100%
- Assume addition of 50% of annual meal tax revenue

(General fund, for FY21 and beyond, Davenport multi-year presentation)

- Program 3 cent increase in property tax (additional $423k in annual revenue)
- Assume 75% of base line CIP
- Reduce meal tax revenue by 50% (transfer $1,082,691 in meals tax revenue to WW)
- Reduce charge back revenue by 50% (reduce WW charge back by 100% or $493k reduction to GF)
- Other factors (no GF impact):
    - Assume 90% of budget requirements for 100% of FY20 approved staffing Assume; CPI pay increase (no net change as both are estimated to be 2%)
    - Maintain Travel and Training at FY20 rates (already factored into model)
    - Assume 40K annual revenue from cell towers (no change as revenue is already allocated to WW)
    - Assume 10K annual revenue from Fireman's Field advertising (no change as revenue is allocated to Pk & Rec)

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

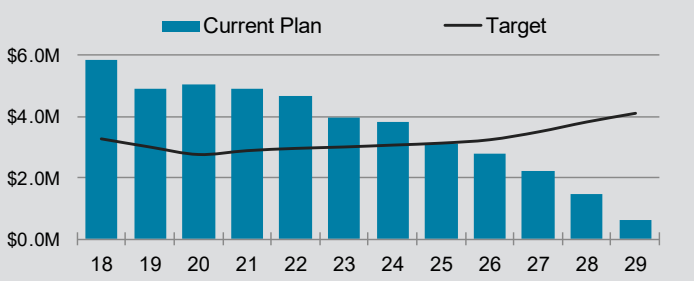
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.90%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Water Rate Plan	0.00%	3.90%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Debt Coverage	1.51	2.04	2.31	1.30	1.24	1.04	1.01	0.82	0.66	0.58	0.58
CIP Execution %	100%	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Single Family Bi-Monthly Water Bill	$73.24	$76.10	$79.50	$83.09	$86.83	$90.76	$94.84	$99.11	$103.56	$108.21	$113.07
Cost per Day	$1.22	$1.27	$1.33	$1.38	$1.45	$1.51	$1.58	$1.65	$1.73	$1.80	$1.88

	FY 2023	FY 2028
Cumulative	23.93%	54.40%

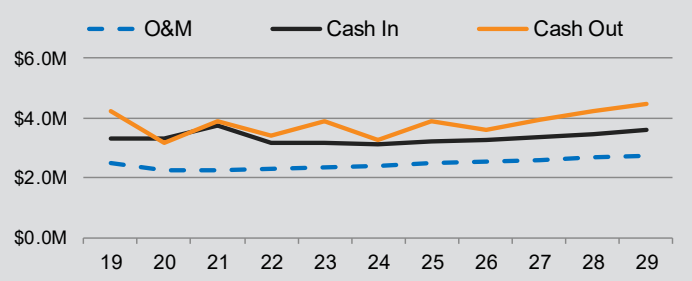
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

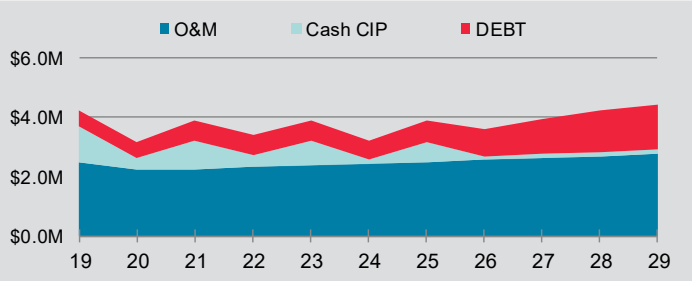
Operating Fund (Cash)



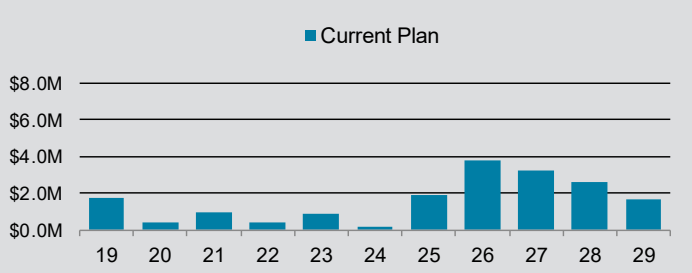
Revenues vs. Expenses



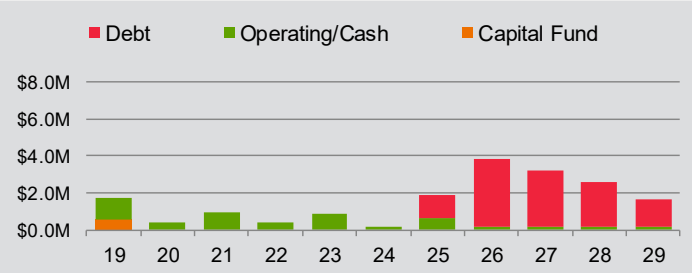
Expenses by Type



CIP Spending



CIP Funding



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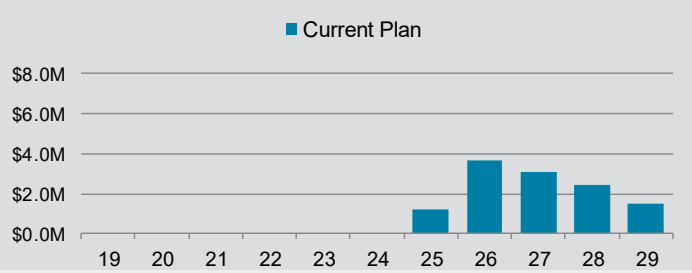


Scenario: Cut CIP by 25% in FY21, FY 20 5 months at 3%, seven months at 4.5%, then December adjustments of 4.5%

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

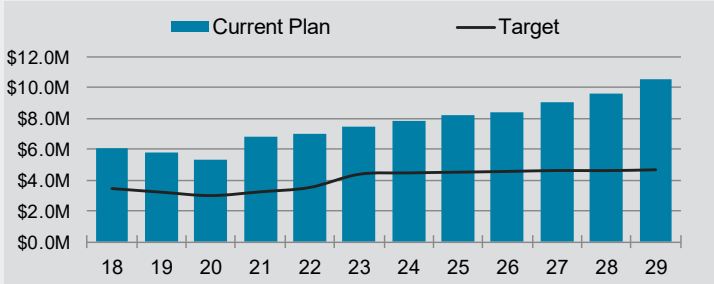
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ▶	0.00%	3.90%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sewer Rate Plan	0.00%	3.90%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Debt Coverage	1.57	1.36	2.47	1.88	1.26	1.22	1.26	1.29	1.33	1.40	1.48
CIP Execution %	100%	100%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Single Family Bi-Monthly Sewer Bill	$138.92	$144.31	$150.77	$157.58	$164.67	$172.11	$179.83	$187.90	$196.33	$205.20	$214.44
Cost per Day	$2.32	$2.41	$2.51	$2.63	$2.74	$2.87	$3.00	$3.13	$3.27	$3.42	$3.57

	FY 2023	FY 2028
Cumulative	23.89%	54.36%

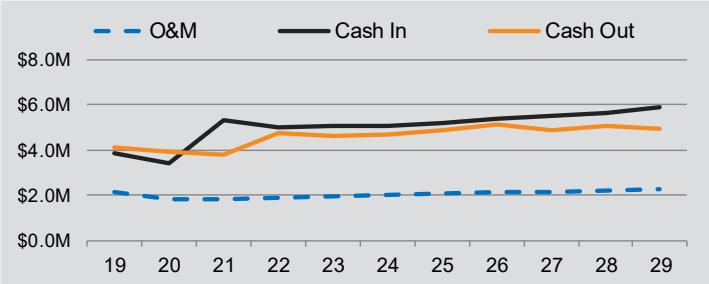
Scenario Manager

Chargeback	Override
Cell Tower	$40,000
Meals Tax Transfer	$1,082,691

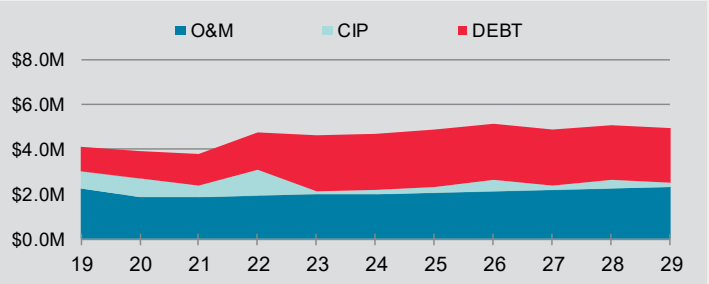
Operating Fund (Cash)



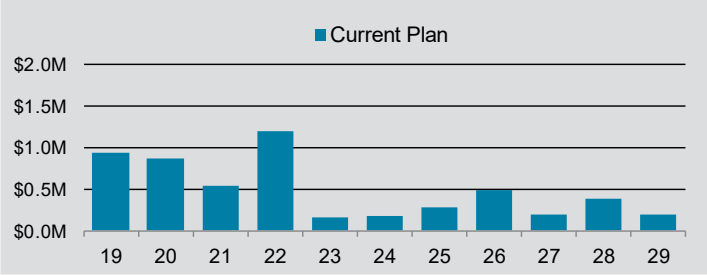
Revenues vs. Expenses



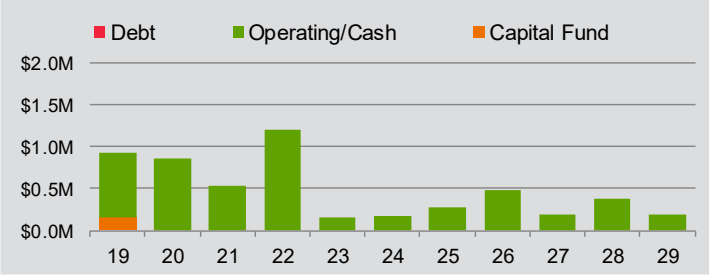
Expenses by Type



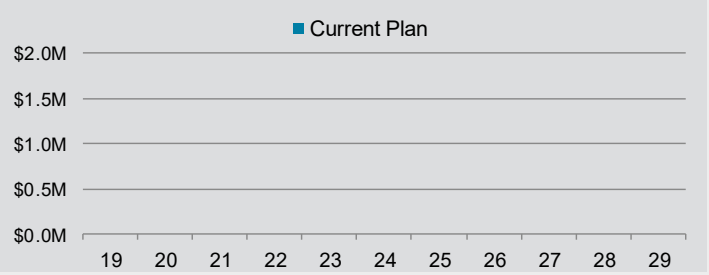
CIP Spending



CIP Funding



Borrowing



Scenario: Cut CIP by 25% in FY21, FY 20 5 months at 3%, seven months at 4.5%, then December adjustments of 4.5%. Remove chargeback FY21, Transfer in 50% of meals tax, $40k for cell tower in FY21

Town of Purcellville, Virginia

General Fund Multiyear Financial Planning Update

Updated Assumptions – Case 1A/1B

May 31, 2019

Member NYSE|FINRA|SIPC

General Fund Projection Model

Updates to Case 1A/1B Shown in Red Font

- Davenport has updated its Multi-Year General Fund projection, in concert with the development of the FY 2020 Budget.
- The goal of the updated model is to provide Town Staff and Town Council with a dynamic planning tool that will allow Town Staff and Town Council to evaluate the impact of multiple financial and operating variables in an efficient and straightforward manner.
- Selected Key Assumptions:

1. FY 2020 Town Manager Proposed Budget serves as a basis for the Revenues and Expenditures;
2. General Fund CIP projects are limited to the Police Station project (2 Police Station scenarios are included).
   - Transfers from General Fund to CIP and CIP project size are 75% of FY2020 budget amounts;
3. Future operating revenues are projected to grow 3% per year. Case 1A/1B Revenue Adjustments shown below:
   - Real estate property tax rate increased by 3 cents in FY2021. Revenues grow by 3% per year thereafter.
   - Meals tax revenues reduced by 50% in FY2021 & rerouted to Wastewater. Revenues grow by 3% per year thereafter.
4. Future operating expenditures are projected to grow 3% per year with the exception of the charge back reimbursement from Water/Sewer which is projected to remain constant at the FY2020 budgeted level;
   - Chargeback revenues reduced by 50% in FY2021 (i.e. 100% reduction in Wastewater chargebacks). Chargebacks remain constant thereafter.
5. The Value of 1 penny on the Real Estate Tax Rate is $141k and is projected to grow at 2.5% per year;
6. The Value of 1% on the Meals Tax is equivalent to $433K; and,
7. The model provides the ability to dynamically evaluate the impact of financial/operational challenges on the Town's General Fund financial health.

Summary of Case 1A/1B (Police Facility Enhancements Only)

Updates to Case 1A/1B Shown in Red Font

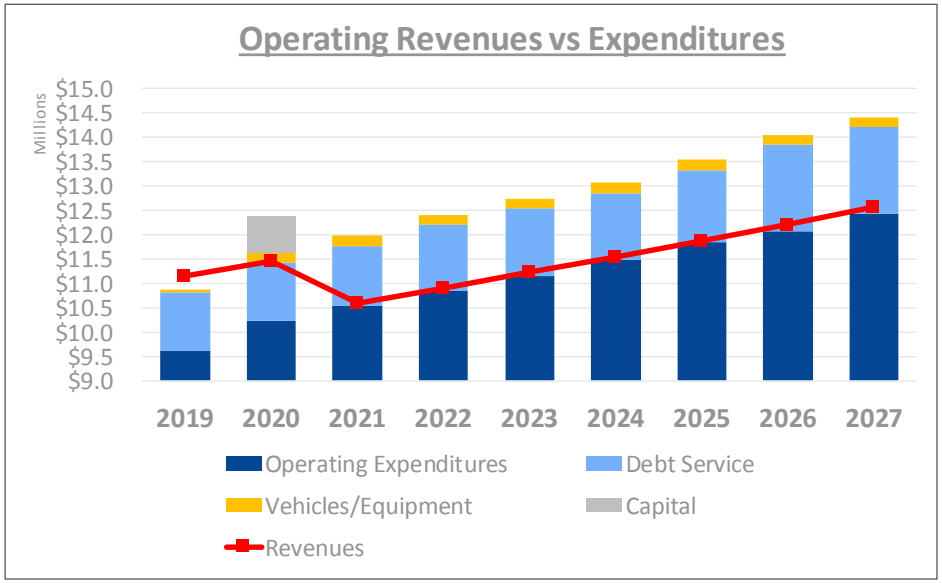
- Case 1A:
  - FY 2020 Town Manager Recommended Budget is the basis for projection with the following amendments related to the "Sterling" option for the Police Station:
    A. An additional $120k per year is added for rent related to the Police Station in FY2020 to FY2025
    B. The General Fund transfer to the CIP in FY2020 is assumed to be $750K, i.e. equivalent to 75% of budgeted $1mm (consisting of $250K for the study and $750K for interim buildout)
    C. The Police Station project is permanently financed in FY2025 assuming an estimated cost of $6 million, i.e. equivalent to 75% of budgeted $8 million

- Case 1B:
  - FY 2020 Town Manager Recommended Budget is the basis for projection with the following amendments related to the "Daycare" option for the Police Station:
    A. Rent related to the Police Station is reduced by $10K per year in FY2020 to FY2025
    B. The General Fund transfer to the CIP in FY2020 is assumed to be $563K, i.e. equivalent to 75% of budgeted $750K (consisting of $250K for the study and $500K for interim buildout)
    C. The Police Station project is permanently financed in FY2025 assuming an estimated cost of $3.75 million, i.e. equivalent to 75% of budgeted $5 million

Case 1A - Summary of Results

Updates to Case 1A Shown in Red Font

- Summary Takeaways:
  - Operating deficits are projected beginning in FY2021 equivalent to approximately ~~1.5 pennies~~ 9.5 pennies on the real estate tax rate
  - The projected operating deficits increase in FY2025 with the addition of the Police Station to approximately ~~4.5 pennies~~ 11 pennies on the real estate tax rate



Equivalent Real Estate Tax Impact

2020	2021	2022	2023	2024	2025	2026	2027
N/A	9.5¢	10.1¢	10.0¢	9.8¢	10.4¢	11.2¢	11.0¢

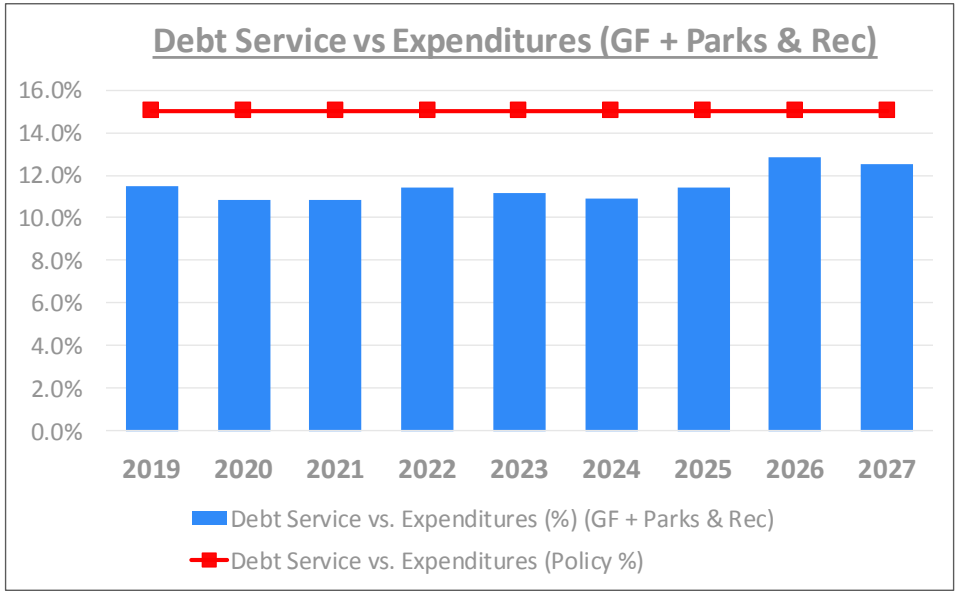
Projected Value of 1 Penny on the Real Estate Tax Rate ($1,000)

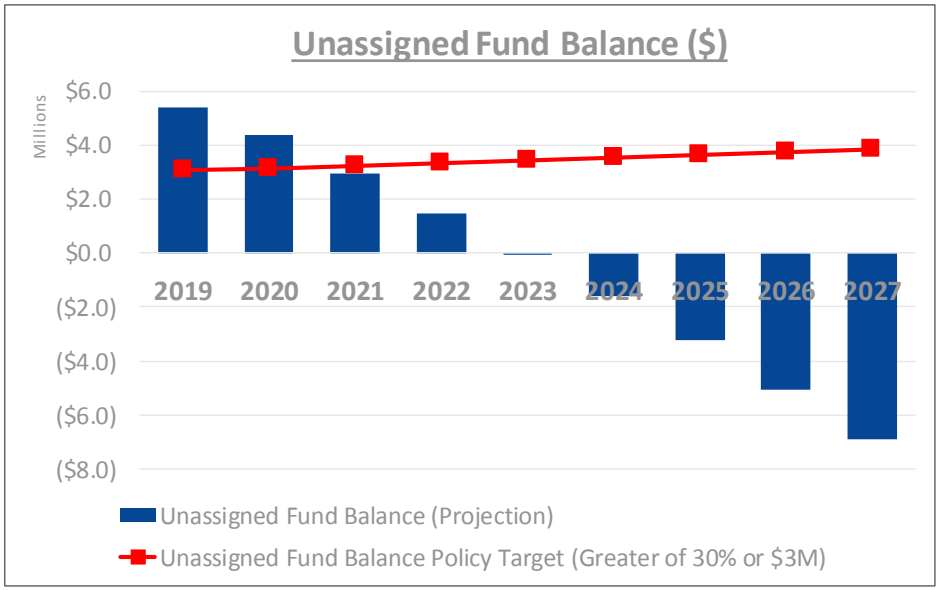
$141	$145	$148	$152	$156	$160	$164	$168
	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Case 1A - Summary of Results (cont.)

Updates to Case 1A Shown in Red Font

- Summary Takeaways:
  - Debt Service vs. Expenditures Policy remains in compliance with policy (note: includes General Fund and Parks & Rec)
  - Absent other budget adjustments (i.e. revenues or expenditures), the Unassigned Fund Balance Policy breaches the policy threshold in ~~FY2023~~ FY2021 due to operating deficits shown on prior page





Case 1A Detailed Cash-Flows

Updated Case 1A

Town of Purcellville, Virginia

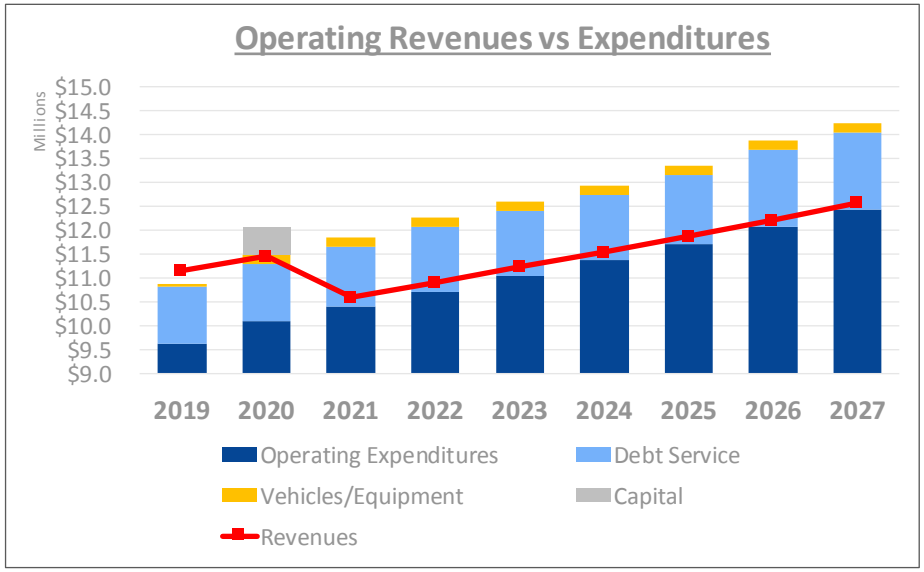
Multi-Year General Fund Forecast
FY2020 Town Manager Proposed Budget

		Estimated 2019	Proposed 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
1	Total Operating Revenues	10,207,822	**10,461,142**	10,774,976	11,098,226	11,431,172	11,774,107	12,127,331	12,491,151	12,865,885
2	Revenue Adjustment	0	**0**	(659,390)	(679,172)	(699,547)	(720,533)	(742,149)	(764,414)	(787,346)
3	**TOTAL REVENUES**	**10,207,822**	**10,461,142**	**10,115,586**	**10,419,054**	**10,731,625**	**11,053,574**	**11,385,181**	**11,726,737**	**12,078,539**
4										
5	Total Operating Expenditures (*less Debt Service & Cash Funded Capital*)	(9,634,462)	**(10,108,361)**	(10,411,612)	(10,723,960)	(11,045,679)	(11,377,049)	(11,718,361)	(12,069,912)	(12,432,009)
6	Expenditure Adjustment	0	**(120,000)**	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	0	0
7	**TOTAL EXPENDITURES**	**(9,634,462)**	**(10,228,361)**	**(10,531,612)**	**(10,843,960)**	**(11,165,679)**	**(11,497,049)**	**(11,838,361)**	**(12,069,912)**	**(12,432,009)**
8										
9	Chargeback Allocation from Utility Funds	947,252	**986,452**	493,226	493,226	493,226	493,226	493,226	493,226	493,226
10	***SURPLUS Before Debt Service & Cash Funded Capital***	***1,520,612***	***1,219,233***	***77,201***	***68,320***	***59,173***	***49,751***	***40,047***	***150,051***	***139,756***
11	**General Fund Debt Service:**									
12	**Existing Debt Service (P+I)**	**(1,187,556)**	**(1,202,841)**	**(1,244,304)**	**(1,366,544)**	**(1,370,635)**	**(1,368,250)**	**(1,338,466)**	**(1,335,707)**	**(1,334,072)**
13	**New Debt Service (*P+I*)**	**0**	**0**	**0**	**0**	**0**	**0**	**(157,500)**	**(447,000)**	**(447,000)**
14	**Capital Outlay for Vehicles and Equipment**	**(50,927)**	**(200,815)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**
15	***Surplus / (Deficit) After Debt Service)***	***282,129***	**(184,423)**	***(1,367,104)***	***(1,498,224)***	***(1,511,462)***	***(1,518,499)***	***(1,655,920)***	***(1,832,656)***	***(1,841,317)***
16										
17	**Equivalent Real Estate Tax Impact**	**N/A**	**N/A**	**9.5¢**	**10.1¢**	**10.0¢**	**9.8¢**	**10.4¢**	**11.2¢**	**11.0¢**
18	**Value of One Penny**	**$133,000**	**$141,000**	**$144,525**	**$148,138**	**$151,842**	**$155,638**	**$159,529**	**$163,517**	**$167,605**
19	**Growth in the Value of a Penny**			**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**
20	**Other Financing Sources / (Uses)**									
21	Contingency-Operating Reserve	0	**(113,515)**	0	0	0	0	0	0	0
22	Road Paving Analysis	(60,000)	**0**	0	0	0	0	0	0	0
23	Organizational Assessment	(70,000)	**0**	0	0	0	0	0	0	0
24	Compensation Study	(40,000)	**0**	0	0	0	0	0	0	0
25	Zoning Ordinance Update	0	**(60,000)**	(60,000)	0	0	0	0	0	0
26	Transfer to Capital Fund	0	**(750,000)**	0	0	0	0	0	0	0
27	Capital Asset Replacement Fund	(18,086)	**0**	0	0	0	0	0	0	0
28	Use of Capital Reserve Fund	111,038	**104,937**	0	0	0	0	0	0	0
29	***Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses***	***205,080***	***(1,003,000)***	***(1,427,104)***	***(1,498,224)***	***(1,511,462)***	***(1,518,499)***	***(1,655,920)***	***(1,832,656)***	***(1,841,317)***
30	Projected Financial Policy Compliance									
31	**Unassigned Fund Balance (Projection)**	**5,381,431**	**4,378,432**	**2,951,328**	**1,453,104**	**(58,358)**	**(1,576,857)**	**(3,232,777)**	**(5,065,432)**	**(6,906,749)**
32	***Unassigned Fund Balance vs. Revenues (%)***	***52.7%***	***41.9%***	***29.2%***	***13.9%***	***-0.5%***	***-14.3%***	***-28.4%***	***-43.2%***	***-57.2%***
33	Unassigned Fund Balance Policy Target (Greater of 30% or $3M)	3,062,347	**3,138,343**	3,232,493	3,329,468	3,429,352	3,532,232	3,638,199	3,747,345	3,859,766
34	Capital Reserve Fund Balance	104,937	**0**	0	0	0	0	0	0	0
35	Capital Asset Replacement Fund Balance	73,586	**73,586**	73,586	73,586	73,586	73,586	73,586	73,586	73,586
36	Debt Service vs. Expenditures (%) (GF + Parks & Rec)	11.5%	10.8%	10.9%	11.4%	11.2%	10.9%	11.4%	12.9%	12.5%

Case 1B - Summary of Results

Updates to Case 1B Shown in Red Font

- Summary Takeaways:
  - Operating deficits are projected beginning in FY2021 equivalent to approximately ~~1 penny~~ 8.5 pennies on the real estate tax rate
  - The projected operating deficits increase in FY2025 with the addition of the Police Station to approximately ~~3.0 pennies~~ 10 pennies on the real estate tax rate approximately



Equivalent Real Estate Tax Impact

2020	2021	2022	2023	2024	2025	2026	2027
N/A	8.6¢	9.2¢	9.1¢	8.9¢	9.2¢	10.2¢	10.0¢

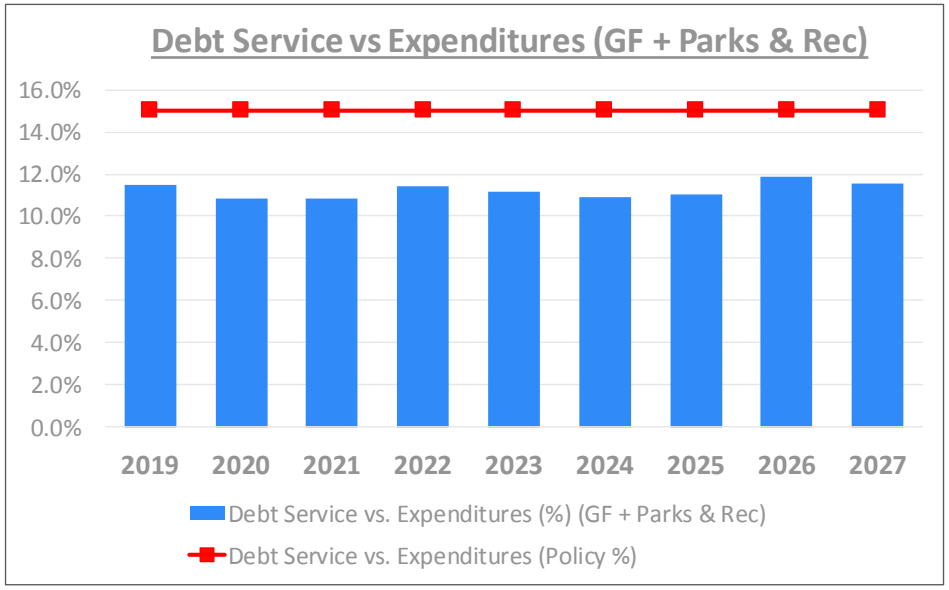
Projected Value of 1 Penny on the Real Estate Tax Rate ($1,000)

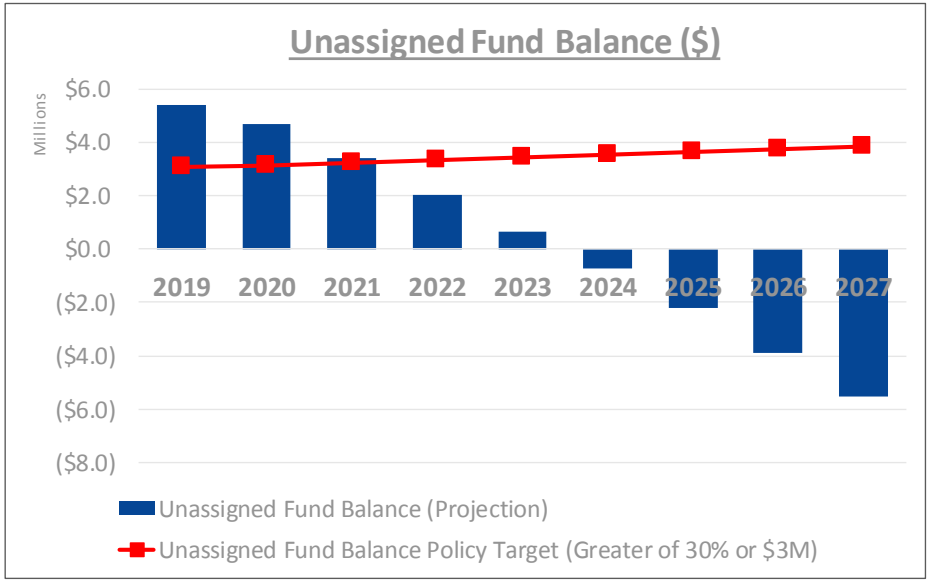
$141	$145	$148	$152	$156	$160	$164	$168
	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Case 1B - Summary of Results (cont.)

Updates to Case 1B Shown in Red Font

- Summary Takeaways:
  - Debt Service vs. Expenditures Policy remains in compliance with policy (note: includes General Fund and Parks & Rec)
  - Absent other budget adjustments (i.e. to revenues or expenditures), Unassigned Fund Balance Policy breaches the policy threshold in ~~FY2025~~ FY2022 due to operating deficits shown on prior page





Case 1B Detailed Cash-Flows

Updated Case 1B

Town of Purcellville, Virginia

Multi-Year General Fund Forecast
FY2020 Town Manager Proposed Budget

		Estimated 2019	Proposed 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
1	Total Operating Revenues	10,207,822	**10,461,142**	10,774,976	11,098,226	11,431,172	11,774,107	12,127,331	12,491,151	12,865,885
2	Revenue Adjustment	0	**0**	(659,390)	(679,172)	(699,547)	(720,533)	(742,149)	(764,414)	(787,346)
3	**TOTAL REVENUES**	**10,207,822**	**10,461,142**	**10,115,586**	**10,419,054**	**10,731,625**	**11,053,574**	**11,385,181**	**11,726,737**	**12,078,539**
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5	Total Operating Expenditures (*less Debt Service & Cash Funded Capital*)	(9,634,462)	**(10,108,361)**	(10,411,612)	(10,723,960)	(11,045,679)	(11,377,049)	(11,718,361)	(12,069,912)	(12,432,009)
6	Expenditure Adjustment	0	**10,000**	10,000	10,000	10,000	10,000	10,000	0	0
7	**TOTAL EXPENDITURES**	**(9,634,462)**	**(10,098,361)**	**(10,401,612)**	**(10,713,960)**	**(11,035,679)**	**(11,367,049)**	**(11,708,361)**	**(12,069,912)**	**(12,432,009)**
8										
9	Chargeback Allocation from Utility Funds	947,252	**986,452**	493,226	493,226	493,226	493,226	493,226	493,226	493,226
10	***SURPLUS Before Debt Service & Cash Funded Capital***	***1,520,612***	***1,349,233***	***207,201***	***198,320***	***189,173***	***179,751***	***170,047***	***150,051***	***139,756***
11	**General Fund Debt Service:**									
12	**Existing Debt Service (P+I)**	**(1,187,556)**	**(1,202,841)**	**(1,244,304)**	**(1,366,544)**	**(1,370,635)**	**(1,368,250)**	**(1,338,466)**	**(1,335,707)**	**(1,334,072)**
13	**New Debt Service (*P+I*)**	**0**	**0**	**0**	**0**	**0**	**0**	**(98,438)**	**(279,375)**	**(279,375)**
14	**Capital Outlay for Vehicles and Equipment**	**(50,927)**	**(200,815)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**	**(200,000)**
15	***Surplus / (Deficit) After Debt Service)***	***282,129***	**(54,423)**	***(1,237,104)***	***(1,368,224)***	***(1,381,462)***	***(1,388,499)***	***(1,466,857)***	***(1,665,031)***	***(1,673,692)***
16										
17	**Equivalent Real Estate Tax Impact**	**N/A**	**N/A**	**8.6¢**	**9.2¢**	**9.1¢**	**8.9¢**	**9.2¢**	**10.2¢**	**10.0¢**
18	**Value of One Penny**	**$133,000**	**$141,000**	**$144,525**	**$148,138**	**$151,842**	**$155,638**	**$159,529**	**$163,517**	**$167,605**
19	**Growth in the Value of a Penny**			**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**	**2.5%**
20	**Other Financing Sources / (Uses)**									
21	Contingency-Operating Reserve	0	**(113,515)**	0	0	0	0	0	0	0
22	Road Paving Analysis	(60,000)	**0**	0	0	0	0	0	0	0
23	Organizational Assessment	(70,000)	**0**	0	0	0	0	0	0	0
24	Compensation Study	(40,000)	**0**	0	0	0	0	0	0	0
25	Zoning Ordinance Update	0	**(60,000)**	(60,000)	0	0	0	0	0	0
26	Transfer to Capital Fund	0	**(562,500)**	0	0	0	0	0	0	0
27	Capital Asset Replacement Fund	(18,086)	**0**	0	0	0	0	0	0	0
28	Use of Capital Reserve Fund	111,038	**104,937**	0	0	0	0	0	0	0
29	***Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses***	***205,080***	***(685,500)***	***(1,297,104)***	***(1,368,224)***	***(1,381,462)***	***(1,388,499)***	***(1,466,857)***	***(1,665,031)***	***(1,673,692)***
30	Projected Financial Policy Compliance									
31	**Unassigned Fund Balance (Projection)**	**5,381,431**	**4,695,932**	**3,398,828**	**2,030,604**	**649,142**	**(739,357)**	**(2,206,214)**	**(3,871,245)**	**(5,544,936)**
32	***Unassigned Fund Balance vs. Revenues (%)***	***52.7%***	***44.9%***	***33.6%***	***19.5%***	***6.0%***	***-6.7%***	***-19.4%***	***-33.0%***	***-45.9%***
33	Unassigned Fund Balance Policy Target (Greater of 30% or $3M)	3,062,347	**3,138,343**	3,232,493	3,329,468	3,429,352	3,532,232	3,638,199	3,747,345	3,859,766
34	Capital Reserve Fund Balance	104,937	**0**	0	0	0	0	0	0	0
35	Capital Asset Replacement Fund Balance	73,586	**73,586**	73,586	73,586	73,586	73,586	73,586	73,586	73,586
36	Debt Service vs. Expenditures (%) (GF + Parks & Rec)	11.5%	10.8%	10.9%	11.4%	11.2%	10.9%	11.0%	11.8%	11.5%

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UTILITY RATE MODEL SCENARIOS

(Town Manager, 5/22/19)

Assumptions & Variables:
(Water and Wastewater funds, beginning in FY20)

- 3% rate increase
- 6% rate increase

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

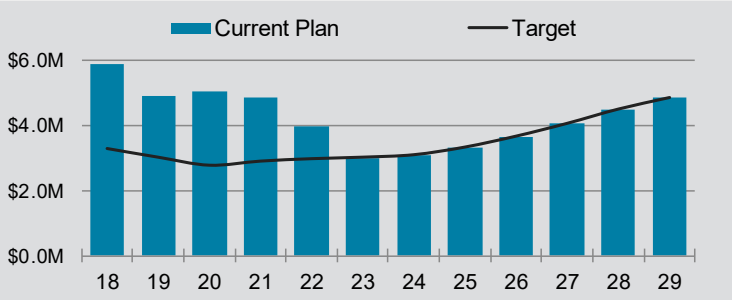
CALC | SAVE | CTRL | LAST | OVR

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2023	FY 2028
Override ►	0.00%	3.00%										Cumulative	
Water Rate Plan	0.00%	3.00%	0.00%	0.00%	6.88%	30.84%	17.76%	15.12%	13.48%	9.69%	4.60%	44.00%	154.27%
Debt Coverage	1.51	2.01	2.20	1.03	1.00	1.33	1.40	1.38	1.34	1.32	1.26		
Single Family Bi-Monthly Water Bill	$73.24	$75.42	$75.42	$75.42	$80.61	$105.49	$124.26	$143.04	$162.30	$178.02	$186.18		
Cost per Day	$1.22	$1.26	$1.26	$1.26	$1.34	$1.76	$2.07	$2.38	$2.71	$2.97	$3.10		

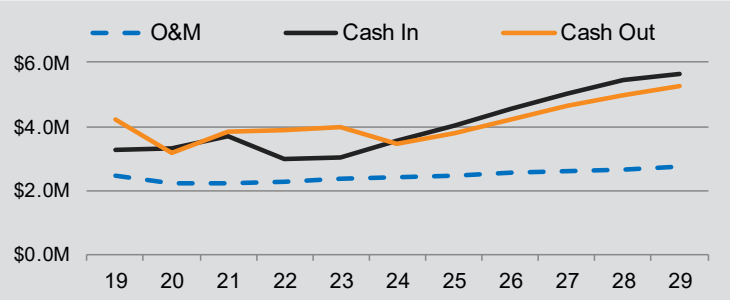
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

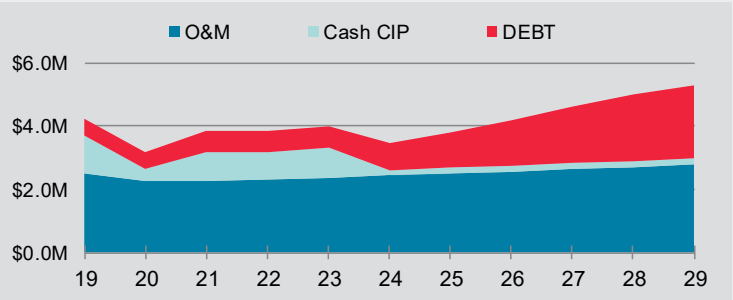
Operating Fund (Cash)



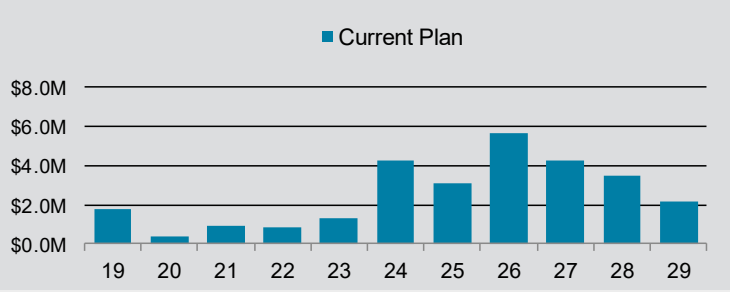
Revenues vs. Expenses



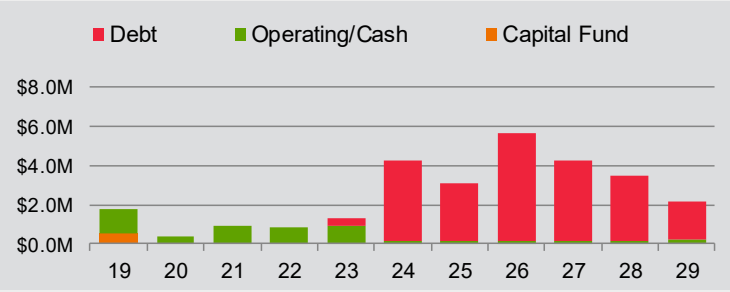
Expenses by Type



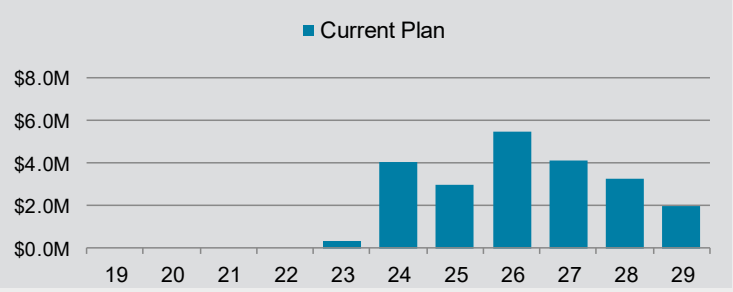
CIP Spending



CIP Funding



Borrowing



Scenario: 3% in FY20, then just in time rates to meet policy

FAMS-XL | TOWN OF PURCELLVILLE, VA - WATER

Stantec

CALC SAVE CTRL LAST OVR

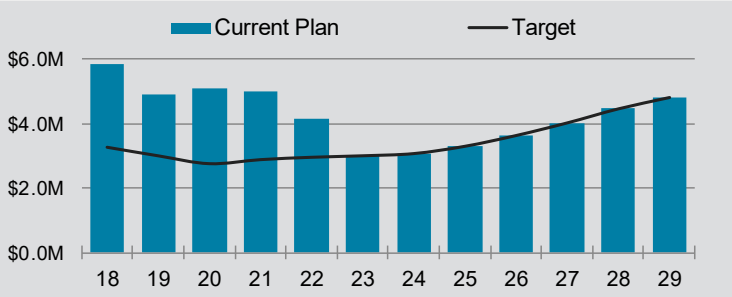
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%									
Water Rate Plan	0.00%	6.00%	0.00%	0.00%	3.43%	30.39%	17.89%	15.43%	13.53%	9.72%	4.61%
Debt Coverage	1.51	2.12	2.29	1.12	1.00	1.33	1.40	1.39	1.34	1.32	1.26
Single Family Bi-Monthly Water Bill	$73.24	$77.65	$77.65	$77.65	$80.33	$104.74	$123.51	$142.58	$161.89	$177.61	$185.77
Cost per Day	$1.22	$1.29	$1.29	$1.29	$1.34	$1.75	$2.06	$2.38	$2.70	$2.96	$3.10

	FY 2023	FY 2028
Cumulative	43.00%	153.60%

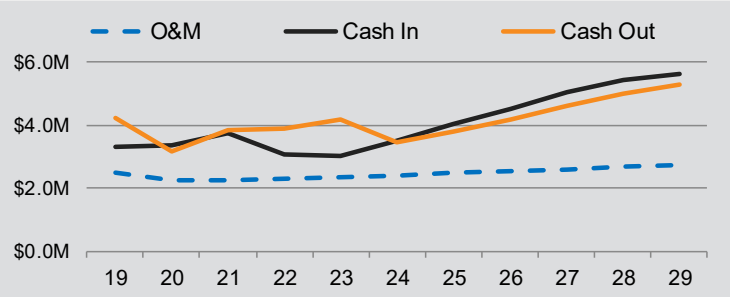
Scenario Manager

Chargeback	Budget
Add'l Rev	$0

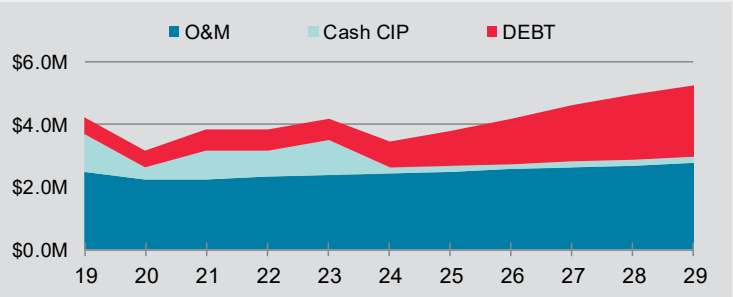
Operating Fund (Cash)



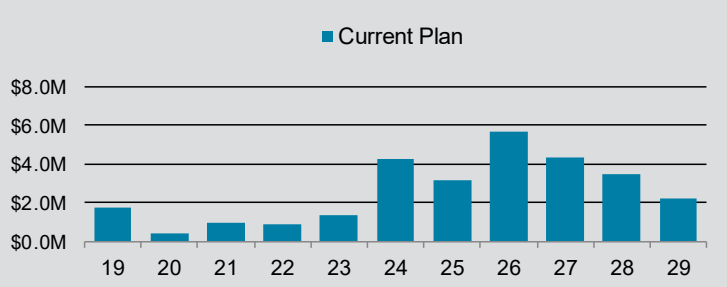
Revenues vs. Expenses



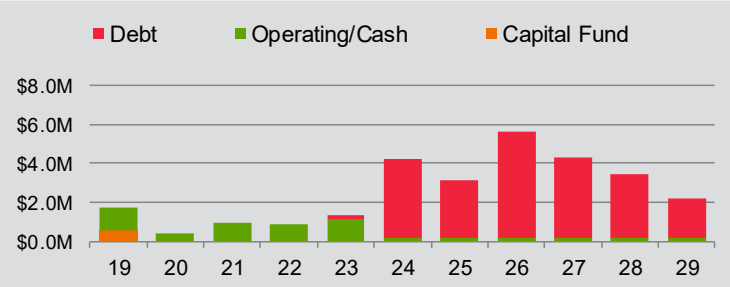
Expenses by Type



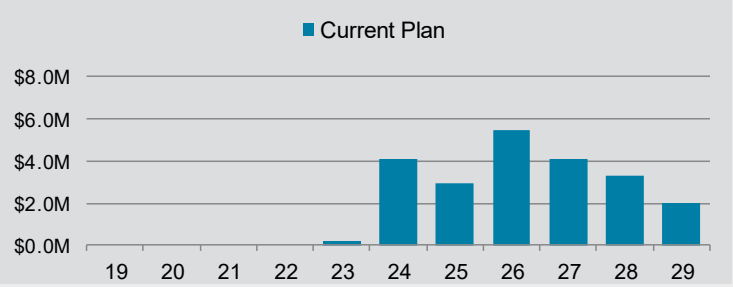
CIP Spending



CIP Funding



Borrowing



Scenario: 6% in FY20, then just in time rates to meet policy

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

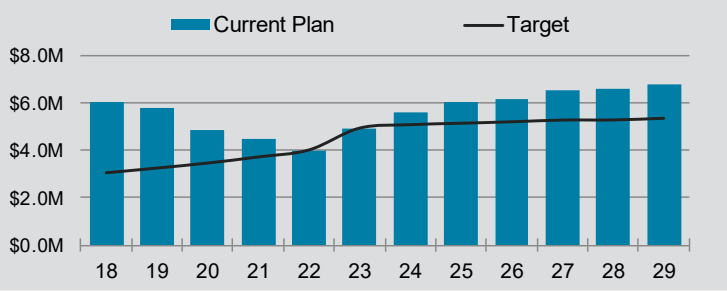
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	3.00%									
Sewer Rate Plan	0.00%	3.00%	0.00%	16.20%	64.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt Coverage	1.57	0.96	1.26	1.00	1.46	1.35	1.32	1.29	1.25	1.24	1.20
Single Family Bi-Monthly Sewer Bill	$138.92	$143.05	$143.05	$166.19	$273.28	$273.28	$273.28	$273.28	$273.28	$273.28	$273.28
Cost per Day	$2.32	$2.38	$2.38	$2.77	$4.55	$4.55	$4.55	$4.55	$4.55	$4.55	$4.55

	FY 2023	FY 2028
Cumulative	96.72%	96.72%

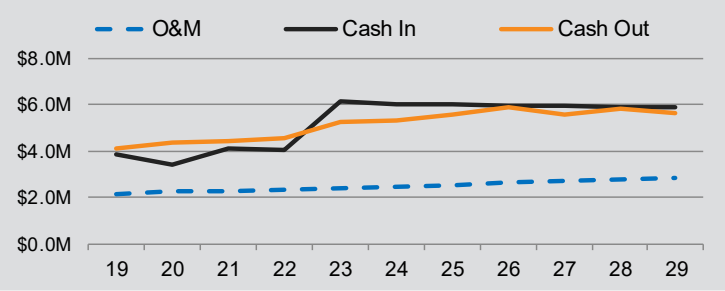
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

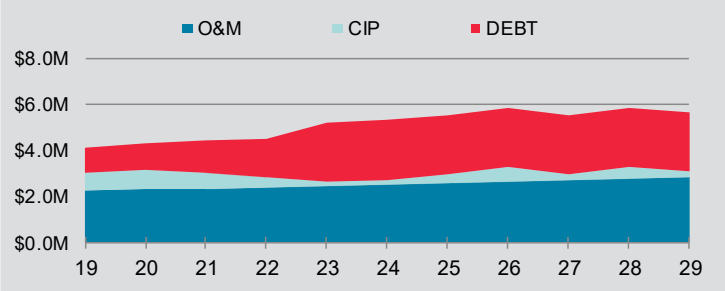
Operating Fund (Cash)



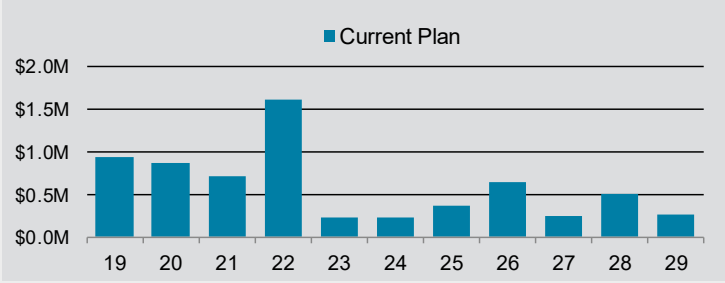
Revenues vs. Expenses



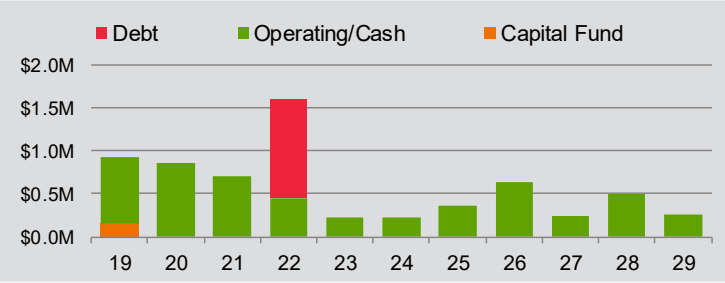
Expenses by Type



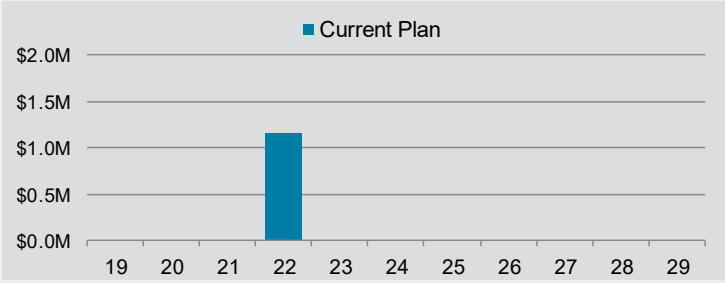
CIP Spending



CIP Funding



Borrowing



Scenario: 3% in FY20, then just in time rates to meet policy

FAMS-XL | TOWN OF PURCELLVILLE, VA - SEWER

Stantec

CALC | SAVE | CTRL | LAST | OVR

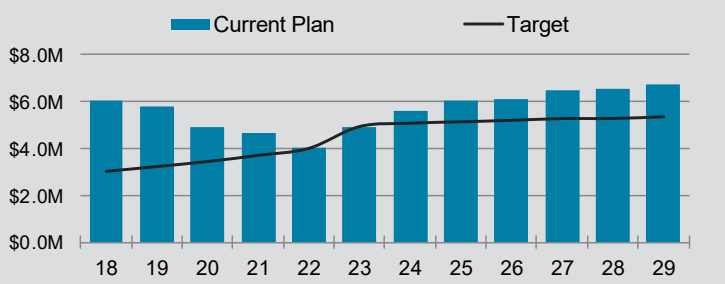
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Override ►	0.00%	6.00%									
Sewer Rate Plan	0.00%	6.00%	0.00%	12.64%	64.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Debt Coverage	1.57	1.03	1.32	1.00	1.46	1.35	1.32	1.29	1.25	1.24	1.20
Single Family Bi-Monthly Sewer Bill	$138.92	$147.26	$147.26	$165.91	$272.54	$272.54	$272.54	$272.54	$272.54	$272.54	$272.54
Cost per Day	$2.32	$2.45	$2.45	$2.77	$4.54	$4.54	$4.54	$4.54	$4.54	$4.54	$4.54

	FY 2023	FY 2028
Cumulative	96.18%	96.18%

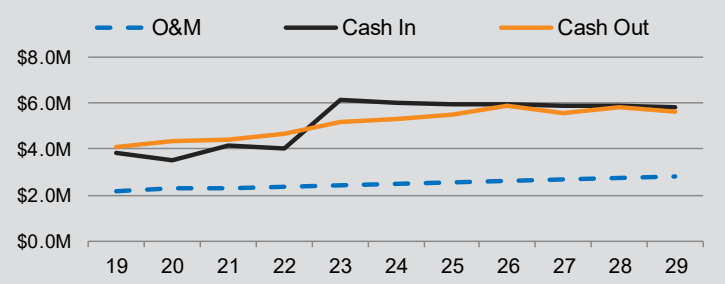
Scenario Manager

Chargeback	Budget
Meals Tax Transfer	$0

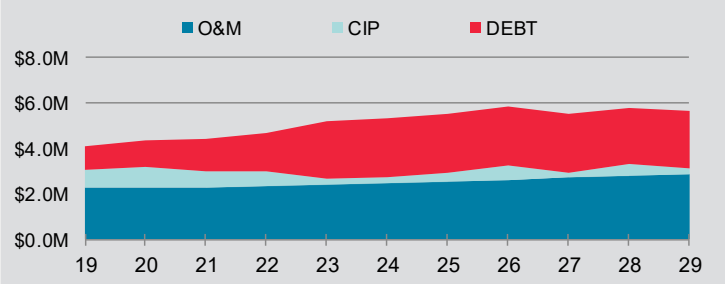
Operating Fund (Cash)



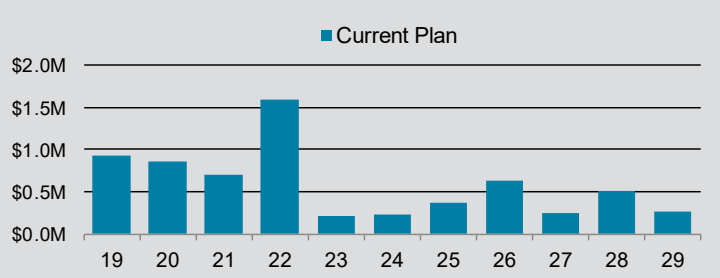
Revenues vs. Expenses



Expenses by Type



CIP Spending



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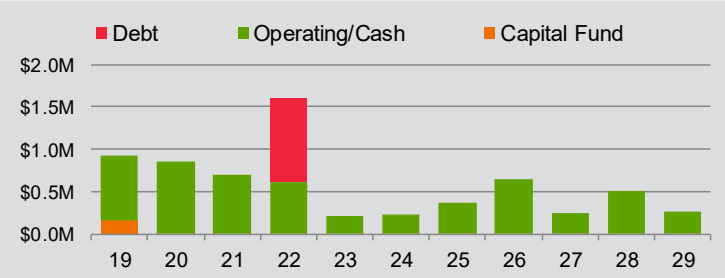
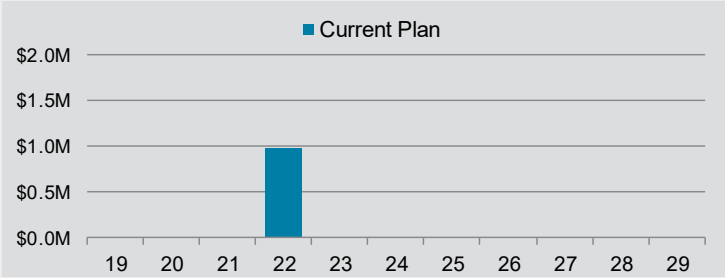


Borrowing



Scenario: 6% in FY20, then just in time rates to meet policy