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TOWN MANAGER DELIVERS PROPOSED FY 2018 BUDGET

PURCELLVILLE, Va. March 23, 2017 — At the Town Council Special Meeting on Wednesday, March 22, 2017, Town Manager Robert W. Lohr, Jr., delivered his proposed Fiscal Year (FY) 2018 Budget and Capital Improvement Program. Mr. Lohr began the presentation with a focus on the Town's accomplishments this past year, including the affirmation of the Town's AA/AAA Credit Rating, successful accreditation process for the Police Department, and continued receipt of numerous management awards, including Go Green Virginia, Performance Management, and Utility Operations. Mr. Lohr further highlighted the accomplishments of the Town Council in relation to its Strategic Initiatives, specifically in the areas of Citizen Engagement, Financial Strength and Stability, and Community Partnerships.

Mr. Lohr emphasized the Town Council's priority of looking for alternative revenue sources and ways to gain additional funding from the Town's assets and operations. Through a variety of outreach, including an employee input survey, outside consultant review, and ideas from the public, the Town anticipates developing new ways to fund costs in both the General Fund and Enterprise Funds.

For the General Fund, the Proposed FY 2018 Budget does not anticipate any tax or fee increases and is balanced at the current real property tax rate of \$0.22 per \$100 assessed value. Due to new growth in Town and assessment increases over 2016, the Town will recognize additional revenues in the areas of real property, personal property, business licenses, and meals tax. Combined with strategic reduction of operating costs, the Proposed FY 2018 Budget recommends the addition of three new critical staff positions: a part-time Human Resources specialist to manage the growing workload in the area of Human Resources; a Patrol Officer to provide better shift coverage and reduce the amount of overtime required; and a Maintenance Worker to provide additional facility support and free other workers to focus on infrastructure management and maintenance. The Proposed General Fund budget also includes funding to develop a long-term fiscal impact model for potential development in the Town, ongoing funding of street maintenance and repair, continued business attraction and retention activities, and funds to update the Board of Architectural Review Guidelines.

The Parks and Recreation Special Tax District, used to fund improvements and operations at Fireman's Field, Dillon's Woods, Bush Tabernacle (Skating Rink), and community events and activities, is proposed to maintain the current tax rate. No enhancements are proposed in this Division and all current events and activities remain as funded in prior years.

The Water Fund is proposed to include enhancements for equipment and regular operational needs with minimal budget increases. Due to ongoing planning for future debt requirements and capital

needs, a rate increase of 7% is proposed for FY 2018. As alternative revenue streams are identified and approved, the rate increase may be adjusted as appropriate.

The Wastewater Fund similarly includes equipment and operational enhancements, with no additional staffing proposed. The fund continues to be dependent upon availability fees for offsetting debt service payments, and rates are proposed to increase 7% in FY 2017 in order to plan for the loss of availability revenue in the future. Like the Water Fund, as alternative revenue streams are identified and approved, the rate increase may be adjusted as appropriate

Across all departments, Mr. Lohr has proposed a 3% rate adjustment for staff, as well as pay-for-performance bonus funds for role model employees. Healthcare costs have increased due to administrative requirements and an actuarial analysis by the Town's healthcare manager. Other expenditures include capital outlay for replacement of aging police cruisers and a contingency fund for unexpected needs or Council-identified priorities.

Overall, total operating expenditures equal \$20.0 million for FY 2018, and all funds are balanced. Of this amount, debt service payments across all funds equates to \$3.45 million.

Included in the Water and Wastewater Funds are "chargebacks" to the General Fund for activities conducted by employees of the General Fund on behalf of the utility funds. These include those staff members in Finance that support all of the Town's activities, Maintenance and Public Works staff that conduct work on the Town's infrastructure and utilities, and other costs that are attributable to the utility funds. The Town Council has indicated its preference to review the chargeback process and recommend changes.

The Capital Improvement Program (CIP) includes projects funded by grant dollars received from Loudoun County, VDOT, and the Northern Virginia Transportation Authority, along with proffers and cash. Examples of CIP projects included in FY 2018 include improvements to Hirst Road, a Roundabout at 32nd Street and A Street, Nursery Avenue improvements, 12th Street road and drainage improvements, and replacement of the N. Maple Avenue water line.

The Town Council has expressed its desire for the public to provide input, ideas, and recommendations on the proposed budget. Members of the public can access all documents related to the Proposed FY 2018 Budget at <http://www.purcellvilleva.gov/budget>. At this link, the public can find an Excel spreadsheet that allows users to make proposed edits to the budget and see how that impacts the tax rate.

The Town Council has set Budget Work Sessions to discuss the proposed budget, tax rates, and utility rates. The first Budget Work Session is scheduled for Thursday, March 30, 2017, at 7:00pm at Town Hall and will focus on the Utility Funds, utility rates, and the chargeback process.

The public is welcome to provide comments to the Town Council on the proposed budget, tax rates, and utility rates. Comments can be sent via email to PurcellvilleTC@purcellvilleva.gov, via phone at 540-338-7421, or online. The Town has a discussion board online where members of the public can suggest ideas, at <http://www.purcellvilleva.gov/CommunityVoice>.

The Proposed FY 2018 Budget, presentations, meeting dates, and online contact form can all be found at <http://www.purcellvilleva.gov/budget>. This page will be updated throughout the budget process with the latest information.

The Town of Purcellville, Virginia

Purcellville is an award-winning town of nearly 9,100 residents located in Loudoun County, approximately 40 miles west of Washington, DC. It has been honored for its green initiatives, most recently with the prestigious Siemens Sustainability Award for Small Communities. The Town has an elected Mayor and six Town Council members. Once a stop along the W&OD rail line, Purcellville has maintained its historic old-town feel through the restoration and maintenance of its many downtown structures, reflecting the Victorian architecture popular during the early 1900s. Today, Purcellville is the economic hub of western Loudoun County and a popular weekend destination for antiquing, entertainment, farmer's markets, wineries, breweries, distilleries and restaurants. More info at www.purcellvilleva.gov.

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