



TOWN OF WARRENTON, VIRGINIA

FISCAL YEAR 2022 – 2023 PROPOSED BUDGET

OFFICE OF THE TOWN MANAGER
21 Main Street, Warrenton, Virginia 20186

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April 1, 2022

Honorable Mayor, Members of Town Council, and Town Residents,

The Town of Warrenton is a great place to live, work and visit and is a community of solid values that come together to support each other, which was evident during the COVID-19 pandemic. The Town navigated the public health emergency over the last two years while conducting long-range projects with uncompromised service levels, and I am pleased to present the budget proposal resulting from a robust effort focused on the Council's priorities.

As we plan for the Fiscal Year 2023, our focus shifts from response to continuing to build a resilient community for all. The Town Council continues to review American Rescue Plan Act funding to determine a spending plan to serve the citizens best. In support of these plans, our focus within the budget is to strengthen government operations that further the goals and vision of the Town Council.

The budget builds on the past few years' success, addresses emerging issues, and maintains core services while bringing Council's policies, plans, and programs to life. To continue to do this, we need to recruit and retain the brightest and most innovative

talent. There is a strong focus on strengthening our current infrastructure and investment in our greatest asset, our employees.

The current economic situation presents challenges of its own, not the least of which is the current rate of inflation. Inflation impacts all aspects of our budget - from the prices we must pay for supplies to the impact on our employees due to increased costs of living. Projected revenues are higher than FY 2022 but remain below pre-pandemic levels. Even though our revenues are below trend, our meals tax revenue has fared better than expected through the pandemic. This reflects the desire of our citizens to patronize local businesses and enjoy their community even during difficult times. Restaurant and retail revenue were bolstered by the Council's commitment to supporting and partnering with businesses with such efforts as RollOutWarrenton!, which opened the streets to pedestrian traffic and provided increased outdoor space.

For FY 2023, the proposed budget for the general fund is \$18.2 million. This represents an increase of \$1.8 million, driven by increases in personnel-related costs and information technology obligations. The overall budget is \$32.3 million, including capital, a 21.5% percent increase from the adopted FY 2022 budget. This increase is primarily due to an extensive capital program for the Water and Sewer Fund and the addition of an ARPA fund, budgeted for \$1.0 million.

Highlights:

- Strengthening infrastructure is achieved with new technical staff positions in the Water and Sewer budget to proactively address deferred maintenance and ensure the system's continued reliability.

- An additional Sergeant within the Police Department to assist with Council's commitment to economic development related to tourism and special events.
- Building on the success of grants, an addition of a Grants Officer position to identify other funding opportunities that the Town may use to enhance services provided to citizens.
- A Project Coordinator position to oversee projects supporting Council's quality infrastructure with a commitment to ongoing capital investment.
- A part-time Human Capital position to assist in benefits administration and enhance recruiting efforts.
- Investment in employee retention with a cost-of-living adjustment of 5% for all employees plus a merit-based increase of 0-2% and the inclusion of a hazardous duty supplement within VRS for public safety personnel.
- Increased ease of review with separate documents for the capital asset replacement program and the capital improvement program, further focusing attention on existing obligations.

To adequately fund the Town's operations, we referred to the 2019 Revenue Review conducted by the Town's financial advisors, Davenport & Company. This report analyzed our revenue streams and compared them to a set of benchmark communities. We rely upon this report whenever we evaluate a new position. The 2019 review identified real estate tax and meals tax as two sources of revenue that could be increased to support our operations.

Proposed rate increases

Fauquier County conducts a general reassessment of real estate every four years. The new values went into effect on January 1, 2022. The average increase in valuation for properties in Town is 22.05%. Virginia Code section 58.1-3321 requires that a locality conduct a separate public hearing for the effective tax increase due to a 1% or greater rise in assessed values.

The Town maintained a real estate tax rate at or below \$0.05 per \$100 of assessed value for the past 22 years. A review of rates from the 1990s shows that the rate stood at \$0.18 for many years and was lowered to \$0.015 in 2006. This coincides with an era during which the Town began deferring necessary maintenance and kept reduced staffing levels.

Over the past few years, the Town began proactively quantifying the ongoing impact of repairs and replacements necessary to maintain services provided to citizens. Catching up does not happen overnight and, unfortunately, comes at a cost much higher than what would have been paid over the years if the issues had been addressed at the time. The Town has enjoyed a dedicated workforce with many long-term employees; however, we are facing a time where these long-term employees are now reaching retirement, and inflation sits at a historic high. This, coupled with the phenomenon of the Great Resignation and unprecedented competition among employers to hire and retain talent, presents us with an undeniable need to increase compensation and benefits. Given these factors, the proposed budget includes the following revenue assumptions:

- Maintain the real estate tax rate at \$0.05 per \$100 of assessed value. This results in an effective increase of \$0.00989 based on the increase in assessed

values. Maintaining the rate coupled with the increase in assessed values yields an additional \$156,359.

- Adjust two rates to match neighboring localities:
 - Increase the Meals Tax rate from 4% to 6% to align with others in the region and as proposed by Fauquier County. The increase yields \$1.5 million in the proposed budget to address these needs.
 - Increase the Cigarette Tax rate from \$0.20 to \$0.40 per pack to align with the newly enacted Cigarette Tax for Fauquier County. This will yield approximately \$227,321 in the proposed budget to offset the impact of the elimination of the grocery sales tax at the State level.

- Adjust Water and Sewer Rates based on an update of 2015 rate model performed by our consultant and our financial advisors. This includes utilizing ARPA funding for qualifying projects. The average increase over the next five years is 7.3%. For fiscal year 2023, that rate increase will be 9.3%.

Emerging from these unprecedented times, the proposed budget continues to provide Warrenton residents and businesses the services they expect while addressing our community's critical needs through strategic capital, community, and workforce investments. There are still many challenges ahead, but new federal Infrastructure Investment and Jobs Act aid is approved and should be focused on rebuilding our economic bases through a hybrid approach of solutions.

In closing, I would like to thank all those who contributed to the proposed budget, including Council, residents, and business owners. I would especially like to thank our Finance Department and our new budget manager for her technical expertise and the positive contributions that she has already made to the process and budget document in her short time here.

I look forward to public input and a robust discussion during the budget process.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandie M. Schaeffer". The signature is written in a cursive, flowing style.

Brandie M. Schaeffer
Town Manager

COMBINED BUDGET SUMMARY

The following provides a summary of the budget for Fiscal Year 2022-2023 across all appropriated funds compared to the budget for Fiscal Year 2021-2022. Greater detail is provided for the General Fund, followed by summary totals for the other funds.

Transfers between funds are deducted in order to show the net estimated revenue and appropriations. Revenues and Sources of Funds are shown on this page and Expenditures and Uses of Funds are shown on the next page. The total General Fund increase is \$1,841,721, or 11.3% over FY 2022. The total increase across all funds compared to the current year adopted budget is \$5,563,960, or 18.3%. The Water and Sewer Operating and Capital funds account for 35.7% of this increase. Further detail is provided throughout the document.

TOTAL ESTIMATED REVENUE – ALL FUNDS				
<u>Revenue / Sources</u>	<u>FY 2022</u> <u>Adopted</u>	<u>FY 2023</u> <u>Proposed</u>	<u>Increase / (Decrease)</u>	
			<u>(\$)</u>	<u>(%)</u>
<u>General Fund</u>				
General Property Taxes	\$ 1,414,275	\$ 1,654,488	\$ 240,214	17.0%
Other Local Taxes	7,452,369	9,675,138	2,222,769	29.8%
Permits & Fees	180,950	328,065	147,115	81.3%
Fines & Forfeitures	185,000	139,871	(45,129)	-24.4%
Use of Money/Property	200,000	128,257	(71,743)	-35.9%
Charges for Services	695,154	760,877	65,723	9.5%
Miscellaneous Revenue	223,687	319,771	96,084	43.0%
State Revenue	3,004,142	2,971,638	(32,504)	-1.1%
Federal Revenue	-	-	-	-
Transfers/Proffers	15,000	15,000	-	0.0%
Bond proceeds	-	300,000	300,000	-
Use of Fund Balance	2,971,653	1,890,844	(1,080,809)	-36.4%
General Fund Total	\$ 16,342,229	\$ 18,183,951	\$ 1,841,721	11.3%
<u>Other Funds</u>				
Capital Projects	\$ 991,895	\$ 750,246	\$ (241,649)	-24.4%
Gen. Asset Replacement	1,160,383	641,262	(519,121)	-44.7%
Water & Sewer Operating	6,305,874	6,839,069	533,195	8.5%
Water & Sewer Capital	2,657,270	4,111,102	1,453,832	54.7%
Stormwater Management	978,599	1,957,867	979,268	100.1%
Motor Pool	587,043	640,963	53,919	9.2%
Information Technology	1,306,333	1,791,535	485,202	37.1%
ARPA Fund	-	977,593	977,593	-
Total All Funds	\$ 30,329,627	\$ 35,893,587	\$ 5,563,960	18.3%
Less Transfers	(3,826,602)	(3,474,988)	351,614	-9.2%
Total Revenues	\$ 26,503,025	\$ 32,418,599	\$ 5,915,574	22.3%

TOTAL APPROPRIATIONS – ALL FUNDS

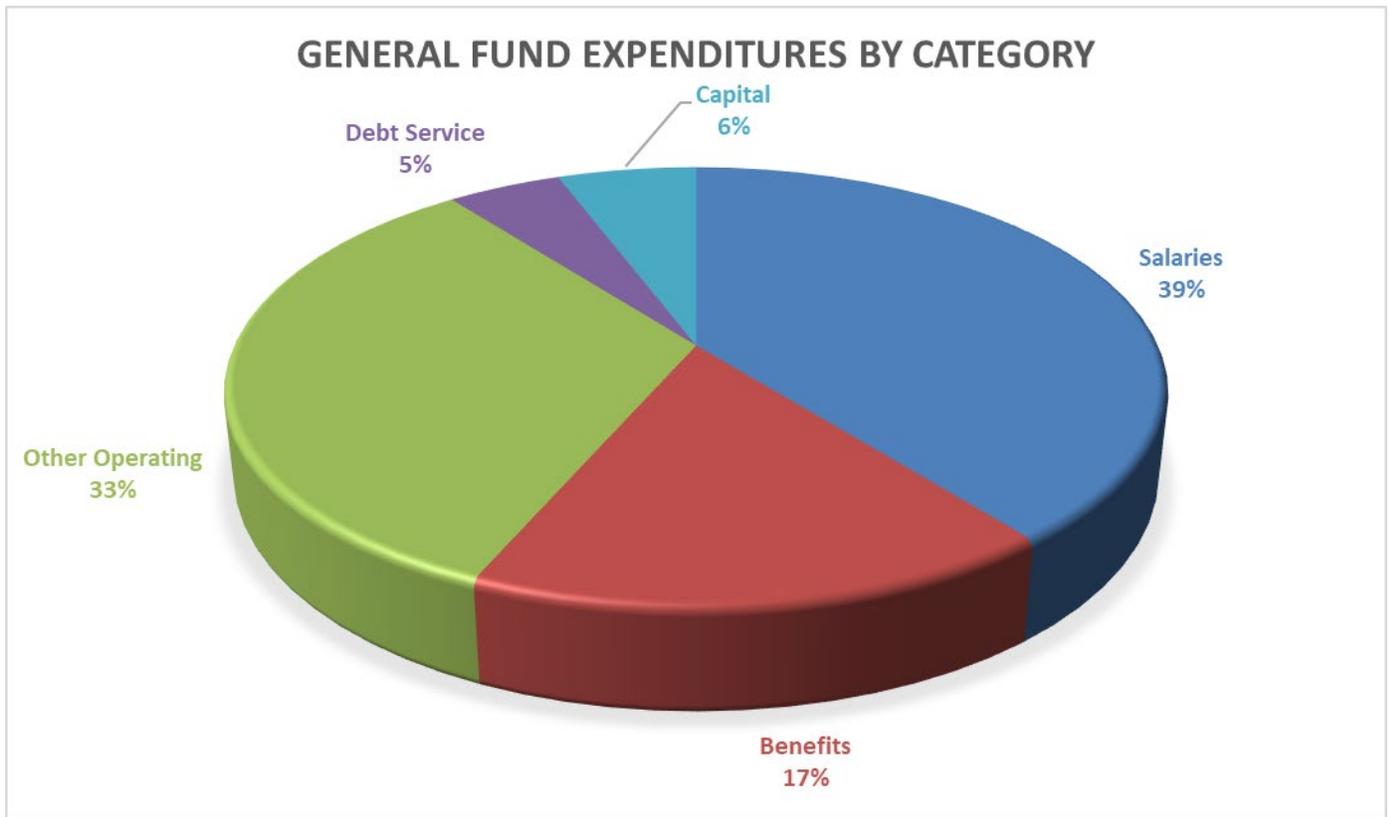
<u>Expenditures / Uses</u>	FY 2022		FY 2023		<u>Increase / (Decrease)</u>	
	<u>Adopted</u>		<u>Proposed</u>		<u>(\$)</u>	<u>(%)</u>
<u>General Fund</u>						
General Government	\$ 1,885,605		\$ 2,720,330		\$ 834,725	44.3%
Public Safety	3,873,414		4,394,485		521,071	13.5%
Public Works	4,058,354		4,699,126		640,772	15.8%
Parks & Recreation	2,203,492		2,667,655		464,163	21.1%
Community Development	1,353,175		1,383,247		30,072	2.2%
Contributions	53,054		68,354		15,300	28.8%
Nondepartmental	202,645		352,645		150,000	74.0%
General Fund Operating	\$ 13,629,739		\$ 16,285,842		\$ 2,656,103	19.5%
Debt Service (for Capital)	\$ 966,480		\$ 855,618		\$ (110,862)	-11.5%
Transfer to Capital	1,746,010		1,042,491		(703,519)	-40.3%
General Fund Capital	\$ 2,712,490		\$ 1,898,109		\$ (814,381)	-30.0%
General Fund Total	\$ 16,342,229		\$ 18,183,950		\$ 1,841,721	11.3%
<u>Other Funds</u>						
Capital Projects	\$ 991,895		\$ 750,246		\$ (241,649)	-24.4%
General Asset Replacement	1,160,383		641,262		(519,121)	-44.7%
Water & Sewer Operating	6,305,874		6,839,069		533,195	8.5%
Water & Sewer Capital	2,657,270		4,111,102		1,453,832	54.7%
Stormwater Management	978,599		1,957,867		979,268	-
Motor Pool	587,043		640,963		53,919	9.2%
Information Technology	1,306,333		1,791,535		485,202	37.1%
ARPA Fund	-		977,593		977,593	-
Total All Funds	\$ 30,329,627		\$ 35,893,587		\$ 5,563,960	18.3%
Less Transfers	(3,826,602)		(3,474,988)		351,614	-9.2%
Total Appropriations	\$ 26,503,025		\$ 32,418,599		\$ 5,915,574	22.3%

Figures may not be exact due to rounding.

PERSONNEL AND COMPENSATION SUMMARY

The Town of Warrenton views its workforce as the most valuable asset in creating a vibrant community and delivering quality services to taxpayers. The Town will issue a Request for Proposal for a consultant to perform a study to review and recommend improvements to its classification and compensation system in FY23. The primary goals of the study are attracting and retaining employees and ensuring employee satisfaction. The Town had planned to award this contract in FY20, but considering the COVID-19 pandemic, the Town thought it prudent not to proceed with the study at that time. The Town of Warrenton will use ARPA funding to pay for this study.

After excluding capital, debt service and interfund transfers, 56.5% of operating expenditures are related to personnel and benefits.



Highlights of Expenses Related to Personnel

The FY23 budget programs a 5% cost of living increase for all employees. In addition, all employees with at least one year of service are evaluated based on their work performance. A merit increase of up to an additional 2% (based on the results of their performance evaluation) has been budgeted for those employees. As a result of this hybrid approach, Town of Warrenton employees will receive salary increases of

between 5-7%. This will aid the Town in remaining marketable to employees in the region.

Health Insurance is always a concern for both employees and employers. The Town is fully insured with The Local Choice (TLC), a pooled program of local governments administered by the Virginia Department of Human Resource Management. The Town's renewal for FY23 premiums is 4.99%. The Town chose not to pass any increases onto employees, so the increase to the Town is 5.6%. FY23 cost for health insurance coverage is \$1,659,884 across all funds.

Full-time employees accrue annual and sick leave on a monthly basis. Annual leave is capped at a maximum number of hours based on years of service. Employees are eligible for a leave payout when they leave Town employment in good standing with the Town and provide at least two weeks' notice. The expense associated with leave payouts is typically absorbed by salary and benefit savings while attempting to hire a replacement.

The Town is a member of the Virginia Retirement System (VRS), which provides a retirement benefit and group life insurance coverage. All full-time employees are covered by the retirement plan and are required to contribute 5% of their salary to the plan. The Town's rates are set on a biennial basis, based on an actuarial report commissioned by VRS. Group Life Insurance premiums are paid in full by the Town. The Town's retirement contribution rate for FY23 is 10.41% and is budgeted at \$922,960. The group life insurance rate is 1.34% and accounts for \$ 118,790. The Town is also required to pay for short and long-term disability coverage for employees who are covered under the Hybrid VRS plan (those hired after January 1, 2014). This coverage is budgeted at \$52,521 for FY23.

The Federal Insurance Contributions Act (FICA) requires the Town to pay a share of Social Security and Medicare taxes for employees. The current rate for Social Security is 6.20% of wages; for Medicare, the rate is 1.45%. For FY23, FICA is estimated to cost the Town \$678,164.

Full-Time Equivalents

The following tables show changes in positions that are included in the FY 2023 Budget.

Part-Time to Full-Time Upgrades

Fund	Position	Department	Notes
General Fund	Town Clerk	Town Council	
General Fund	Customer Service Representative	Finance & Procurement	Revenue neutral
General Fund	Records Clerk	Police	Upgraded in FY 2022
General Fund	Aquatics Supervisor	Parks & Recreation	Revenue neutral
General Fund	Aquatics Programmer	Parks & Recreation	Revenue neutral

The above table shows existing part-time positions that will be upgraded to full-time and absorb more duties.

Upgraded Positions

Fund	Position	Department	Notes
General Fund	Chief Mechanic to Fleet & Facilities Manager	Facilities, Motor Pool	Upgraded in 2022

The table above shows one position that was upgraded in FY 2022. The Chief Mechanic was upgraded to Fleet and Facilities Manager and now manages all facilities services and Motor Pool. This allowed the Town to eliminate the Facilities Manager position, as shown below. In addition, two Firefighter positions were eliminated when fire and rescue functions were transferred to the County.

Positions Eliminated

Fund	Position	Department	Notes
GF and W&S	Facilities Manager	Public Works and Utilities	
General Fund	Firefighter (x2)	Fire	Transferred to Fauquier County in FY 2022

The following table shows positions that have been added to the FY 2023 Budget.

Positions Added

Fund	Position	Department	Notes
General Fund	Grants Officer	Town Manager	
General Fund	Human Capital Generalist (PT)	Human Capital	
ARPA	Financial Coordinator	Finance & Procurement	Filled in FY 2022
General Fund	Police Sergeant	Police	
GF, W&S, SWM	Engineer	Public Works and Utilities	
W&S, SWM	Deputy Director	Public Works and Utilities	
GF, W&S, SWM	Junior Engineer	Public Works and Utilities	
GF, W&S, SWM	Project Coordinator	Public Works and Utilities	
SWM	GIS Technician	SWM	Filled in FY 2022

A Grants Officer has been added to the Town Manager's budget to assist the Town in identifying and administering grants Town-wide. A part-time Human Capital Generalist was added to assist the Human Capital Manager with administrative tasks. A Financial Coordinator was added to manage the requirements with the American Rescue Plan Act (ARPA) compliance and reporting. A Police Sergeant was added to assist the Police Department with increased responsibilities. Due to the increase in Water and

Sewer and Public Works projects, a Deputy Director, Engineer, Junior Engineer, and Project Coordinator were added. Finally, a GIS Technician was added to Stormwater Management to manage the mapping requirements of the program.

The following tables shows all full-time and part-time positions for every department and division for the Town of Warrenton.

TOWN MANAGER

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Town Manager	1	1	-
Executive Assistant	1	1	-
Grants Officer	-	1	1
Total Full-Time Personnel	2	3	1

HUMAN CAPITAL

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Human Capital Manager	1	1	-
Total Full-Time Personnel	1	1	-

Part-Time Personnel

Human Capital Generalist	-	0.73	0.73
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ECONOMIC DEVELOPMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Economic Development Manager	1	1	-
Total Full-Time Personnel	1	1	-

COMMUNICATIONS

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Marketing Coordinator	1	1	-
Total Full-Time Personnel	1	1	-

EMERGENCY SERVICES/ RISK MANAGEMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Emergency Services/ Risk Manager	1	1	-
Total Full-Time Personnel	1	1	-

FINANCE AND PROCUREMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Director of Finance	1	1	-
Revenue and Collections Manager	1	1	-
Account Coordinator, Tax Administration	1	1	-
Account Coordinator- Payroll	1	1	-
Account Coordinator- A/P	1	1	-
Budget Manager	1	1	-
Procurement Coordinator	1	1	-
Customer Service Representative	1	2	1
Financial Coordinator (ARPA-funded)	-	1	1
Total Full-Time Personnel	8	10	2

Part-Time Personnel

Customer Service Representative	1.32	1.05	(0.27)
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POLICE DEPARTMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Chief of Police	1	1	-
Deputy Chief	1	1	-
Police Lieutenant	2	2	-
Police Corporal	5	5	-
Police Sergeant	5	6	1
Police Officer	16	16	-
Sr. Administrative Assistant	1	1	-
Records Clerk	-	1	1
Total Full-Time Personnel	31	33	2

Part-Time Personnel

Accreditation Manager	0.73	0.73	-
Parking Enforcement Officer	0.73	0.73	-
Records Clerk	0.73	-	0.73
Intern	1.45	1.45	-

FIRE DEPARTMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Firefighter	2	-	(2)
Total Full-Time Personnel	2	-	(2)

PUBLIC WORKS
Administration

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Director of Public Works and Utilities	1	1	-
Assistant Director- Utilities	1	1	-
PW/PU Superintendent	1	1	-
Chief Equipment Mechanic/ Facilities Manager	1	1	-
Senior Administrative Assistant	2	2	-
Total Full-Time Personnel	6	6	-

PUBLIC WORKS
Streets Maintenance

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Senior Crew Supervisor	2	2	-
Maintenance Worker	5	4	(1)
Mechanic Equipment Operator 1	4	5	1
Mechanic Equipment Operator 2	2	2	-
Total Full-Time Personnel	13	13	-

Part-Time Personnel

Maintenance Worker- Seasonal	2	2	-
Maintenance Worker	2	2	-

PUBLIC WORKS
Sanitation

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Crew Supervisor	2	2	-
Mechanic Equipment Operator 1	3	3	-
Maintenance Worker	1	1	-
Total Full-Time Personnel	6	6	-

PUBLIC WORKS
Facilities Maintenance

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Facilities Manager	1	-	(1)
Building Engineer	1	1	-
Traffic Signals/ Sign Maintenance	1	1	-
Cemetery Caretaker	1	1	-
Maintenance Worker	2	3	1
Total Full-Time Personnel	6	6	-

PARKS AND RECREATION
Administration

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Director of Parks and Recreation	1	1	-
Assistant Director of Parks and Recreation	1	1	-
Operations and Contracts Technician	1	1	-
Facility Services Coordinator	-	1	1
Recreation Programmer	-	1	1
Total Full-Time Personnel	3	5	2

Part-Time Personnel

Recreation Programmer	0.73	-	(0.73)
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PARKS AND RECREATION
Aquatics Center

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Aquatics Coordinator	1	1	-
Aquatic Supervisor	-	1	1
Total Full-Time Personnel	1	2	1

Part-Time Personnel

Manager on Duty	0.44	0.44	-
Aquatics Supervisor	1.96	-	(1.96)
Facilities Services Coordinator	2.00	-	(2.00)
Recreation Programmer	1.00	-	(1.00)
Lifeguards	4.25	4.25	-
Fitness Instructor	3.00	3.00	-
Aquatics Attendant	3.83	3.83	-
Facility Attendant	1.85	1.85	-

COMMUNITY DEVELOPMENT
Planning

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Director, Planning and Community Development	1	1	-
Planning Manager	1	1	-
Planner	1	1	-
Total Full-Time Personnel	3	3	-

COMMUNITY DEVELOPMENT
Development Services

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Zoning Administrator	1	1	-
Zoning Official	1	1	-
Code Enforcement Officer	2	2	-
Permit Technician	2	2	-
Total Full-Time Personnel	6	6	-

Visitor's Center

Part-Time Personnel

Recreation Programmer	1	-	(1)
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WATER AND SEWER

Meter Reading

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Meter Supervisor	1	1	-
Total Full-Time Personnel	1	1	-

WATER AND SEWER

Source of Supply

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
WTP/ WWTP Chief Operator	1	1	-
Superintendent, WTP	1	1	-
WTP/WWTP Operator A	2	2	-
WTP/WWTP Operator B	1	1	-
WTP/WWTP Operator Trainee	2	2	-
Total Full-Time Personnel	7	7	-

WATER AND SEWER

Transmission and Distribution

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Public Utilities Superintendent	1	1	-
Senior Crew Supervisor	1	1	-
Utility Locator	1	1	-
Utility Maintenance Worker	2	1	(1)
Team Lead	-	1	1
Mechanical Equipment Operator 2	1	1	-
Maintenance Worker	2	2	-
Total Full-Time Personnel	8	8	-

WATER AND SEWER

Wastewater Plant

PERSONNEL	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
Superintendent, WWTP	1	1	-
Plant Mechanic	1	1	-
WTP/WWTP Chief Operator	1	1	-
WTP/WWTP Operator A	1	1	-
WTP/WWTP Operator B	3	3	-
WTP/WWTP Operator Trainee	3	3	-
Total Full-Time Personnel	10	10	-

WATER AND SEWER

Administration

PERSONNEL	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
Deputy Director - Utilities	-	1	1
Engineer	1	1	-
Project Coordinator	-	1	1
Administrative Assistant	1	1	-
Utility Billing Coordinator	1	1	-
Total Full-Time Personnel	3	5	2

INFORMATION TECHNOLOGY

PERSONNEL	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
Information Technology Director	1	1	-
System Administrator	1	1	-
Help Desk Administrator	1	1	-
Administrative Assistant	1	1	-
Audiovisual Specialist	-	1	1
Total Full-Time Personnel	4	5	1

MOTOR POOL

PERSONNEL	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
Chief Mechanic	1	1	-
Mechanic	2	2	-
Total Full-Time Personnel	3	3	-

STORMWATER MANAGEMENT

	FY/2022 BUDGET	FY/2023 BUDGET	CHANGE
PERSONNEL			
Stormwater Administrator	1	1	-
Stormwater Inspector	1	1	-
GIS Technician	-	1	1
Total Full-Time Personnel	2	3	1

The following table shows all full-time and part-time positions and the allocations of funding for each position in the FY 2023 budget.

	General Fund	Water & Sewer Fund	Stormwater Fund	Information Technology	Motor Pool Fund	ARPA
TOWN COUNCIL						
Council	100%	-	-	-	-	-
Town Clerk (PT)	100%	-	-	-	-	-
TOWN MANAGER						
Town Manager	80%	20%	-	-	-	-
Executive Assistant	80%	20%	-	-	-	-
Grants Officer	100%	-	-	-	-	-
LEGAL						
Town Attorney	80%	20%	-	-	-	-
HUMAN CAPITAL						
Human Capital Manager	70%	30%	-	-	-	-
Human Capital Generalist	100%	-	-	-	-	-
ECONOMIC DEVELOPMENT						
Economic Development Manager	100%	-	-	-	-	-
COMMUNICATIONS						
Marketing Coordinator	100%	-	-	-	-	-
EMERGENCY SERVICES/ RISK MANAGEMENT						
Emergency Services/ Risk Manager	50%	50%	-	-	-	-
FINANCE AND PROCUREMENT						
Director of Finance	70%	30%	-	-	-	-
Revenue and Collections Manager	70%	30%	-	-	-	-
Account Coordinator- Tax Administration	75%	-	25%	-	-	-
Account Coordinator- Payroll	60%	40%	-	-	-	-
Account Coordinator- A/P	70%	30%	-	-	-	-
Budget Manager	50%	50%	-	-	-	-
Procurement Coordinator	50%	50%	-	-	-	-
Customer Service Representative	70%	30%	-	-	-	-
Finance Coordinator	-	-	-	-	-	100%
Customer Service Representative (PT)	70%	30%	-	-	-	-
POLICE DEPARTMENT						
Chief of Police	100%	-	-	-	-	-
Deputy Chief	100%	-	-	-	-	-
Police Lieutenant	100%	-	-	-	-	-
Police Corporal	100%	-	-	-	-	-
Police Sergeant	100%	-	-	-	-	-
Police Officer	100%	-	-	-	-	-
Sr. Administrative Assistant	100%	-	-	-	-	-
Records Clerk	100%	-	-	-	-	-
Accreditation Manager (PT)	100%	-	-	-	-	-
Parking Enforcement Officer (PT)	100%	-	-	-	-	-
Intern (PT)	100%	-	-	-	-	-
PUBLIC WORKS						
Director of Public Works and Utilities	50%	50%	-	-	-	-
Deputy Director- Public Works and Utilities	30%	50%	20%	-	-	-
PW/PU Superintendent	100%	-	-	-	-	-
Chief Equipment Mechanic/ Facilities Manager	35%	20%	-	-	45%	-

	General Fund	Water & Sewer Fund	Stormwater Fund	Information Technology	Motor Pool Fund	ARPA
PUBLIC WORKS						
Senior Administrative Assistant	100%	-	-	-	-	-
Administrative Assistant	75%	25%	-	-	-	-
Senior Crew Supervisor	100%	-	-	-	-	-
Maintenance Worker	100%	-	-	-	-	-
Mechanic Equipment Operator 1	100%	-	-	-	-	-
Mechanic Equipment Operator 2	100%	-	-	-	-	-
Crew Supervisor	100%	-	-	-	-	-
Building Engineer	100%	-	-	-	-	-
Traffic Signals/ Sign Maintenance	100%	-	-	-	-	-
Cemetery Caretaker	100%	-	-	-	-	-
Project Coordinator	20%	50%	30%	-	-	-
PARKS AND RECREATION						
Director, Parks and Recreation	100%	-	-	-	-	-
Assistant Director of Parks and Recreation	100%	-	-	-	-	-
Operations and Contracts Technician	100%	-	-	-	-	-
Recreation Programmer (PT)	100%	-	-	-	-	-
Facility Services Coordinator	100%	-	-	-	-	-
Aquatic Supervisor	100%	-	-	-	-	-
Manager on Duty (PT)	100%	-	-	-	-	-
Aquatics Supervisor (PT)	100%	-	-	-	-	-
Recreation Programmer (PT)	100%	-	-	-	-	-
Head Lifeguard (PT)	100%	-	-	-	-	-
Fitness Instructor (PT)	100%	-	-	-	-	-
Lifeguard (PT)	100%	-	-	-	-	-
COMMUNITY DEVELOPMENT						
Director, Planning and Community Development	100%	-	-	-	-	-
Planning Manager	100%	-	-	-	-	-
Planner	100%	-	-	-	-	-
Zoning Administrator	100%	-	-	-	-	-
Zoning Official	75%	-	25%	-	-	-
Code Enforcement Officer	100%	-	-	-	-	-
Permit Technician	50%	50%	-	-	-	-
Visitor's Center Attendants	100%	-	-	-	-	-
WATER AND SEWER						
Deputy Director- Utilities	-	50%	50%	-	-	-
Engineer	20%	50%	30%	-	-	-
Junior Engineer	20%	50%	30%	-	-	-
Meter Supervisor	-	100%	-	-	-	-
Utility Billing Coordinator	-	100%	-	-	-	-
WTP/ WWTP Chief Operator	-	100%	-	-	-	-
Superintendent, WTP	-	100%	-	-	-	-
WTP/WWTP Operator A	-	100%	-	-	-	-
WTP/WWTP Operator B	-	100%	-	-	-	-
WTP/WWTP Operator Trainee	-	100%	-	-	-	-
Public Utilities Superintendent	-	100%	-	-	-	-
Senior Crew Supervisor	-	100%	-	-	-	-
Utility Locator	-	100%	-	-	-	-
Utility Maintenance Worker	-	100%	-	-	-	-
Mechanical Equipment Operator 2	-	100%	-	-	-	-
Maintenance Worker	-	100%	-	-	-	-
Superintendent, WWTP	-	100%	-	-	-	-
Plant Mechanic	-	100%	-	-	-	-
Senior Administrative Assistant	-	100%	-	-	-	-
INFORMATION TECHNOLOGY						
Information Technology Director	-	-	-	100%	-	-
System Administrator	-	-	-	100%	-	-
Audiovisual Specialist	-	-	-	100%	-	-
Help Desk Administrator	-	-	-	100%	-	-
Administrative Assistant	-	-	-	100%	-	-

	General Fund	Water & Sewer Fund	Stormwater Fund	Information Technology	Motor Pool Fund	ARPA
MOTOR POOL						
Mechanic	-	-	-	-	100%	
STORMWATER MANAGEMENT						
Stormwater Administrator	-	-	100%	-	-	-
Stormwater Inspector	-	-	100%	-	-	-
GIS Technician	-	-	100%	-	-	-

Summary of Full-Time Equivalents

The staffing summary on the next page shows changes in full-time equivalent staffing by department from FY 2022 to FY 2023. Part-time staff who work for the Town are limited to working no more than 29 hours per week, so the equivalent maximum amount of a part-time employee is 0.725 FTE, rounded throughout this document to 0.73.

Department	FY 2022 FTEs	FY 2023 FTEs	Change
<u>General Government</u>			
Legislative	0.73	1.00	0.28
Town Manager	1.61	2.61	1.00
Emergency Services	0.50	0.50	-
Economic Development	1.00	1.00	-
Communications	1.00	1.00	-
Human Capital	0.50	1.23	0.73
Finance and Procurement	6.32	6.59	0.27
Subtotal, General Government	11.66	13.93	0.60
<u>Public Safety</u>			
Police Department	31.91	33.16	1.25
Fire Department	2.00	-	(2.00)
Subtotal, Public Safety	33.63	33.16	0.73
<u>Public Works</u>			
Administration	4.60	5.10	0.50
Streets	16.66	16.66	-
Sanitation	6.00	6.00	-
General Properties	7.00	6.73	(0.27)
Subtotal, Public Works	34.26	34.49	0.23
<u>Parks and Recreation</u>			
Aquatic Center	19.32	15.37	(3.95)
Parks	0.36	0.36	-
Administration	3.73	5.00	1.27
Subtotal, Parks and Recreation	23.41	20.73	(2.68)
<u>Community Development</u>			
Planning	4.14	4.14	-
Development Services	4.72	4.72	-
Visitor Center	1.00	1.00	-
Subtotal, Community Development	9.86	9.86	-
<u>Capital</u>			
General	0.38	0.20	(0.18)
Water and Sewer	0.38	-	(0.38)
Subtotal, Capital	0.76	0.20	(0.56)
<u>Public Utilities</u>			
Meter Department	1.00	1.00	-
Water Treatment Plant	6.73	6.73	-
Transmission and Distribution	8.00	8.00	-
Wastewater Treatment Plant	10.97	10.97	-
Administration	4.98	8.20	3.22
Subtotal, Public Utilities	31.68	34.90	3.22
<u>Stormwater Management</u>	2.00	5.10	3.10
<u>Internal Service Funds</u>			
Motor Pool	2.45	2.45	-
Information Technology	4.00	5.00	1.00
Subtotal, Internal Service Funds	4.45	2.00	1.00
Total Full-time Equivalents	151.71	154.37	2.66

Workforce Trends and Demographics

This section of the Personnel and Compensation Summary highlights trends and demographics of the Town’s existing workforce.

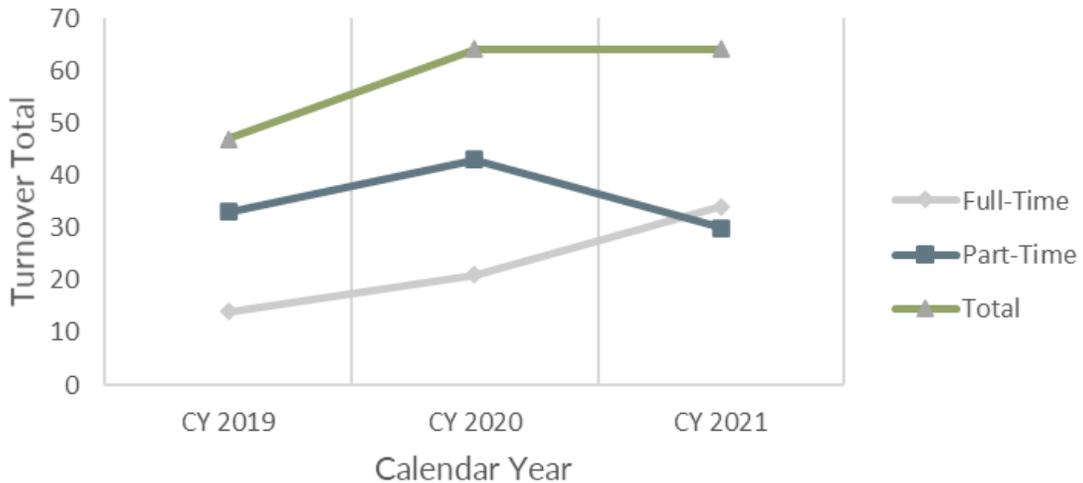
Calendar Year 2021 Turnover

In Calendar Year (CY) 2021, overall employee turnover was equal to CY 2020 with a total of 64 employees. There were fewer retirements in 2021 (six in CY 2021 compared to ten in CY 2020, but voluntary turnover increased by ten, or 21.3%. There was only one involuntary termination in CY 2021 compared to seven in 2020. The increase in voluntary terminations is likely related to the “Great Resignation” of 2021.

The high turnover rate for part-time is mostly related to the seasonal nature of the operations at the Warrenton Aquatic and Recreation Facility, which employs many school-aged individuals.

	Full-Time	Part-Time	Overall
Voluntary Termination	28	29	57
Involuntary Termination	1	0	1
Retirement	5	1	6
Total Turnover CY 2021	34	30	64
Total Turnover CY 2020	21	43	64
Total Turnover CY 2019	14	33	47

EMPLOYEE TURNOVER BY CALENDAR YEAR



Salary Distribution & Averages

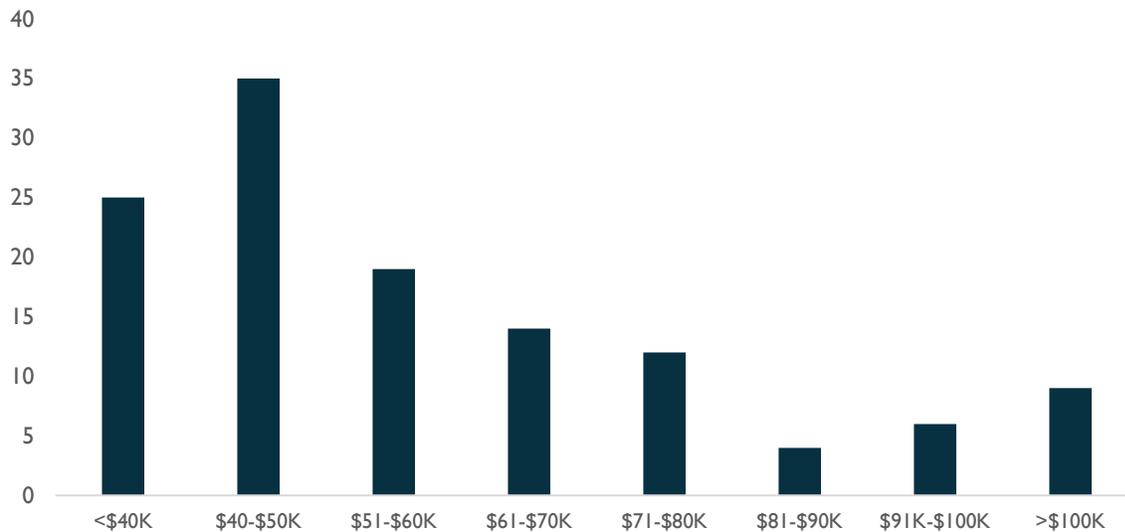
The following table shows the average annual pay for Town full-time and part-time employees:

	2019	2020	2021	% Difference 2020-2021
Full-Time	\$57,377.96	\$57,067.88	\$58,859.61	3.14%
Part-Time	\$15.78*	15.82*	\$16.49*	4.24%

**Due to the nature of part-time work, wages are calculated on an hourly rather than an annual basis.*

The following graph illustrates that the majority of full-time employees (75%) earn between \$26,000 and \$70,000 annually. 38% of full-time employees earn more than the average salary of \$58,860. 20% of full-time employees earn less than \$40,000 per year. It should be noted that these figures do not include the impact of overtime.

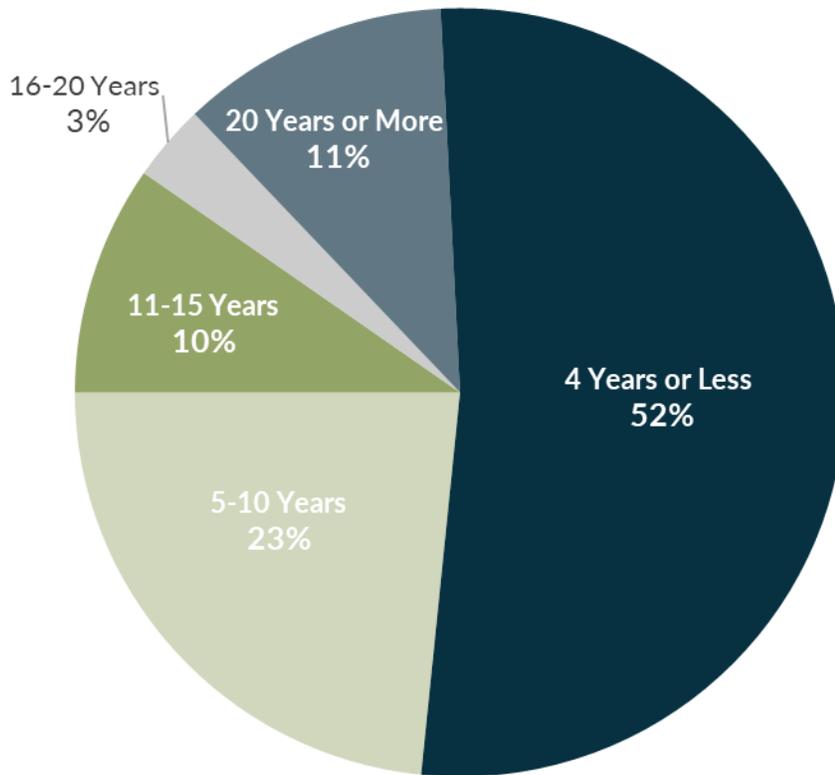
Full-Time Employees Salary



Years of Service

More than half of the current Full-Time workforce (75%) has been employed with the Town for 10 years or less; 11% have worked for the Town for 20 years or more. Over half (52%) have been with the Town less than four years.

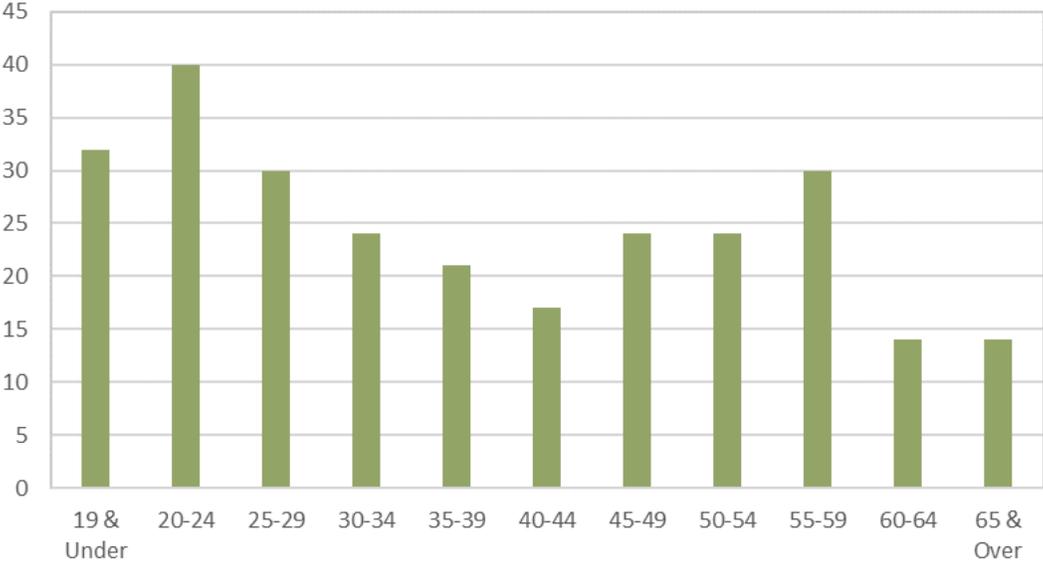
Full-Time Years of Service



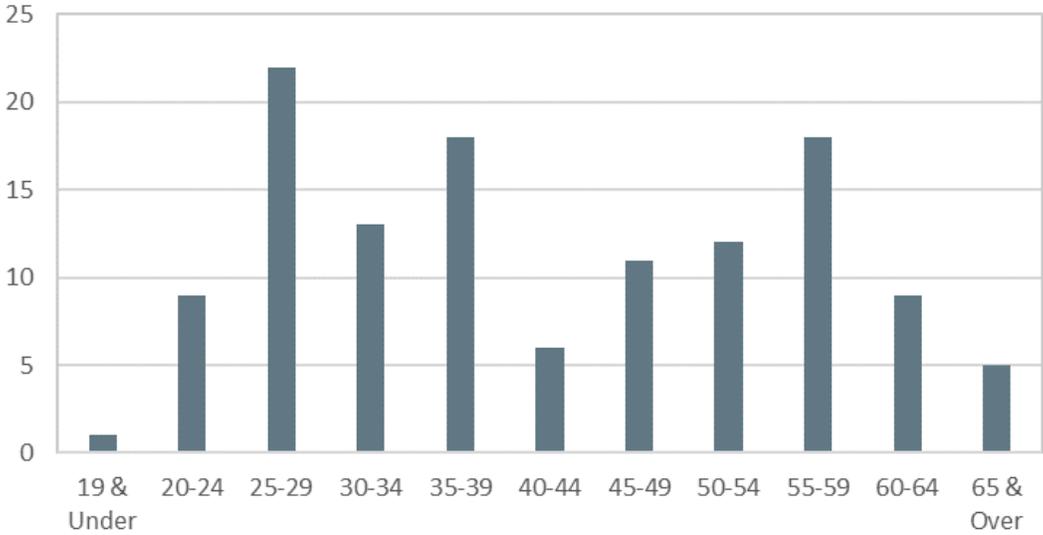
Employee Demographics

As illustrated by the inverted bell curves in the following graphs, about 68% of the Town's workforce falls under the age of 30 and over the age of 50. As noted earlier, staffing at the Warrenton Aquatic and Recreation Facility is a younger demographic, typically school-aged and part-time. The first graph below shows the demographics for all employees. The second graph focuses only on full-time

Employees By Age Distribution



Full-Time Employees By Age Distribution



BUDGET PROCESS

Fiscal Year 2023 Budget Calendar

Date	Event
October 2021	Request for Budget Submissions sent to Town Departments and Outside Agencies
December 31, 2021	Fiscal Year 2023 Budget Submissions due to the Budget Manager
January 2022	Budget Submissions compiled by the Budget Manager and forwarded to the Town Manager
January 31, 2022	Outside Organization Funding Requests due to Finance Department
February – March 2022	The Town Manager will review budget requests, studies and reports, and work with the Budget Manager to draft Proposed Budget.
February 22, 2022	Planning Commission Work Session to review the Draft 2023 – 2028 Capital Improvement Plan for consistency with the Comprehensive Plan
March 15, 2022	Planning Commission Public Hearing on the Draft 2023 – 2028 Capital Improvement Plan
April 1, 2022	Delivery of the Town Manager’s Proposed Budget to the Town Council
April – May 2022	Work Sessions and Special Meetings held by the Town Council to review the Proposed Budget
May 10, 2022	The Town Council will hold a Public Hearing on the Fiscal Year 2023 Proposed Budget
June 14, 2022	Anticipated Adoption of the Fiscal Year 2023 Budget by the Town Council
July 1, 2023	Beginning of Fiscal Year 2023

Basis of Accounting and Budgeting

According to the Code of Virginia, the Town is required to have a balanced budget and undergo an annual financial audit by an independent certified public accountant. A balanced budget is one in which all proposed expenditures and other financial uses are fully funded by projected revenues and other financing sources.

The Commonwealth of Virginia requires that the town budget be based on fund accounting, which is a system of accounting that matches the sources of revenue (such as taxes or service fees) with the uses (program costs) of that revenue. Therefore, the town budgets and accounts for its revenues and expenditures in various funds. The fund structure and use section provides further detail on this topic.

Accounting Basis

Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts, which comprise assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate.

Governmental funds, which include the General Fund, Capital Improvement Program Fund, and the Perpetual Care Fund (a permanent fund), are accounted for on the modified accrual basis of accounting. Revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred or expended. The basis of accounting and the basis of budgeting is the same for governmental funds.

Proprietary funds use the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. In addition, capital purchases are budgeted while depreciation expenses are not budgeted.

As promulgated by the Government Accounting Standards Board in Statement No. 34, the town's basic financial statements include separate fund-based presentations and two basic government-wide financial statements. These two government-wide statements are the statement of net assets and the statement of activities.

Budgetary Basis

Annual budgets spanning the fiscal year (July 1 – June 30) are prepared on a basis consistent with generally accepted accounting principles. For proprietary funds, depreciation expense is not budgeted, but is recorded and reported for financial purposes.

The Town Council adopts an annual appropriations resolution that establishes the funding level for each fund. The legal level of budgetary control is at the fund level. The Town Manager is delegated the authority to approve transfers between departments and agencies as long as aggregated appropriations or estimated revenues are not altered at the fund level. Changes to appropriations at the fund level must be approved by the Town Council.

All appropriations lapse at the end of the fiscal year. Unfinished projects are subject to review and re-appropriation by the Town Council.

MISSION STATEMENT, ACTION AND VALUE STATEMENT

On August 9, 2016, the Town Council adopted the following Mission Statement and Action and Value Statement to serve as a guide for operations of the Town and the allocation of resources.

Mission Statement

In cooperation with and for Our Citizens, the Mayor, Town Council and the Staff of Warrenton are dedicated to providing public safety, economic opportunity, and quality public services in an attractive, well-planned community with historic character for the benefit, enjoyment and accessibility of all.

Action and Value Statement

To achieve our Mission, we strive to provide high level services in a cost-effective manner; display honesty, respectfulness, and fairness in all relationships; support the health and economic well-being of our citizens and businesses; preserve our historic small-town character; encourage opportunities, services and infrastructure that allow people of all means to live, work and visit here; and address public concerns and opportunities promptly and effectively.

We recognize our Mission can be achieved only by the exchange of information and that through teamwork we can maintain an environment in which we can maximize our potential.

COMMUNITY

Background

The Town of Warrenton is located in the north central Piedmont region of Virginia, approximately 45 miles southwest of Washington, D.C. The Town encompasses 4.5 square miles and is the county seat for Fauquier County. The estimate from the U.S. Census Bureau for Warrenton's population for the year 2019 was 10,027 residents.

History

Warrenton had its origin at the junction of the Falmouth-Winchester and Alexandria-Culpeper roads, where a trading post known as the Red Store was established. At the time of the Revolution a settlement had begun. By 1790 the first courthouse and a jail were built, and an academy named for General Joseph Warren, a Revolutionary War hero, was founded. Richard Henry Lee donated 71 acres of land for the county seat, which was incorporated as the Town of Warrenton in 1810.

By the 1850's a railroad reached the town, which boasted several churches, thriving mercantile establishments, a weekly newspaper, and one or two schools; however, for well over a century the town grew slowly, being chiefly the trading center for a rural area and a place of residence for merchants, county officials and professionals. Early on, it achieved a reputation for its salubrious climate and pleasant social life.

During the Civil War, the town was near the scene of battles and skirmishes during which the churches and schools were used as hospitals, frequently occupied by Federal troops. Warrenton was the object of raids by Colonel John S. Mosby, known as the "Gray Ghost," who later made his home here and practiced law in the California Building across Court Street. A monument to Mosby stands beside the Old Courthouse. He is buried in the Warrenton cemetery. Duvall Goldsmith, inventor of the coffee percolator, was a local citizen, as was William "Extra Billy" Smith, who was twice Governor of Virginia.

There have been seven courthouses in Warrenton, the Fauquier County seat. Since 1795, four have stood on the same site on Main Street as the existing Old Courthouse built in 1890. Fire destroyed some of the earlier structures. The present Circuit Courthouse, usually called the "new" courthouse by local residents, opened in 1974 as a legal-office complex. It is located on Culpeper Street, adjacent to the Warren Green Hotel. The Warren Green Hotel is used as office space by Fauquier County Government. The Old Courthouse still houses the General District Court.

Town Government

The Town of Warrenton is organized under a Council-Manager form of government. The Town Council is comprised of a Mayor, one member from each of the Town's five Wards, and two at-large members. The Mayor does not vote, except in the case of a tie. The Council appoints a Town Manager, who serves at the pleasure of Council and is charged with managing the day-to-day operations of the Town. Also appointed are the positions of Town Attorney and the Town Clerk.

Towns in Virginia have overlapping tax districts with the Counties in which they are located. Town residents pay property taxes to both the County and the Town. Town residents enjoy the services provided by Fauquier County and receive additional services from the Town, such as refuse collection, police protection, street and sidewalk maintenance, planning and zoning and parks and recreation facilities.

PRINCIPAL OFFICIALS

~ ELECTED OFFICIALS ~

Town Council

Carter Nevill, Mayor

Renard Carlos, At Large

Sean Polster, At Large

Heather Sutphin, Ward 1

William T. Semple II, Ward 2

Brett A. Hamby, Ward 3

James N. Hartman III, Ward 4,

Kevin T. Carter, Ward 5

~ APPOINTED OFFICIALS ~

Town Manager

Brandie Schaeffer

Town Attorney

Martin Crim

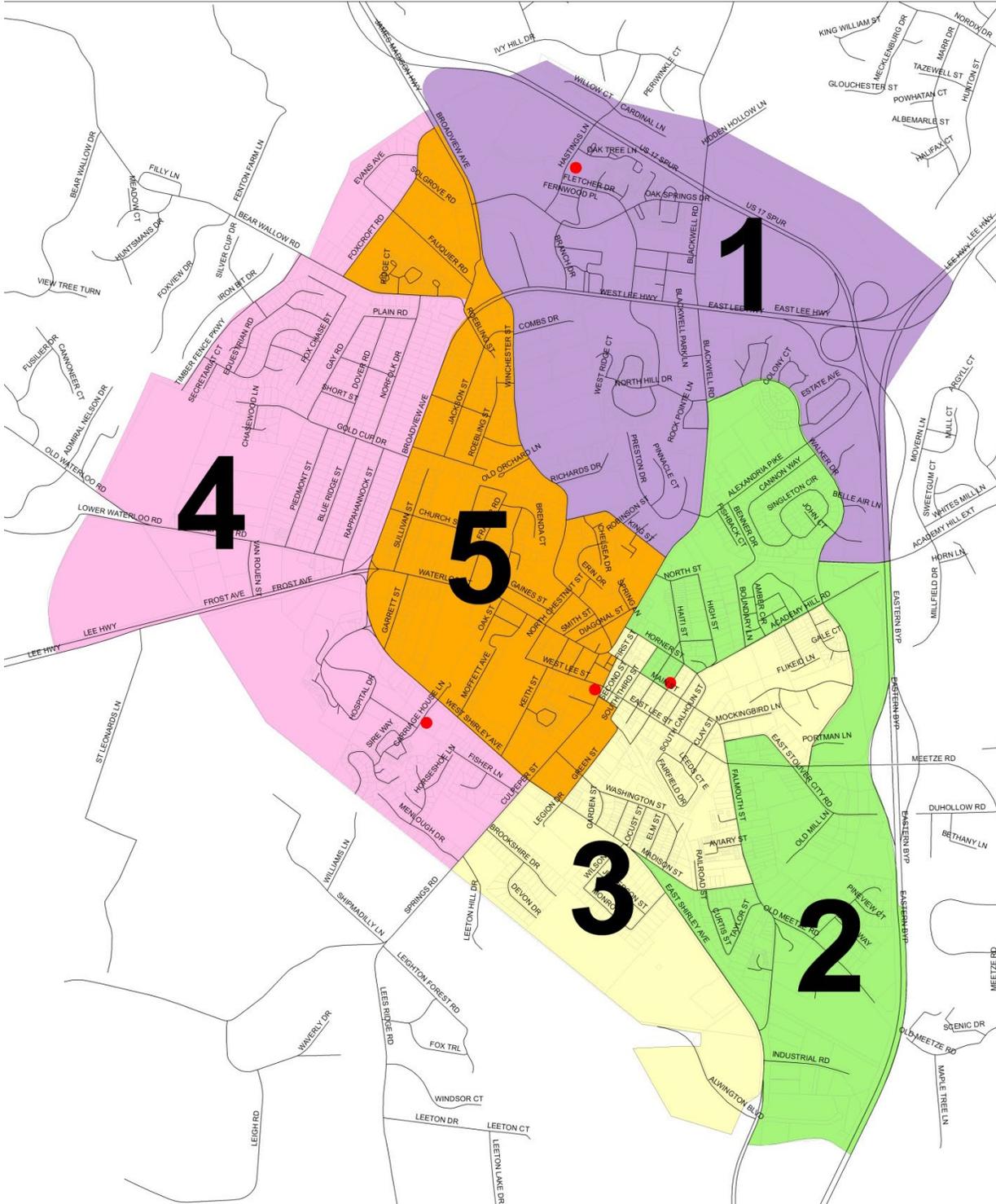
Vanderpool, Frostick & Nishanian

Town Clerk

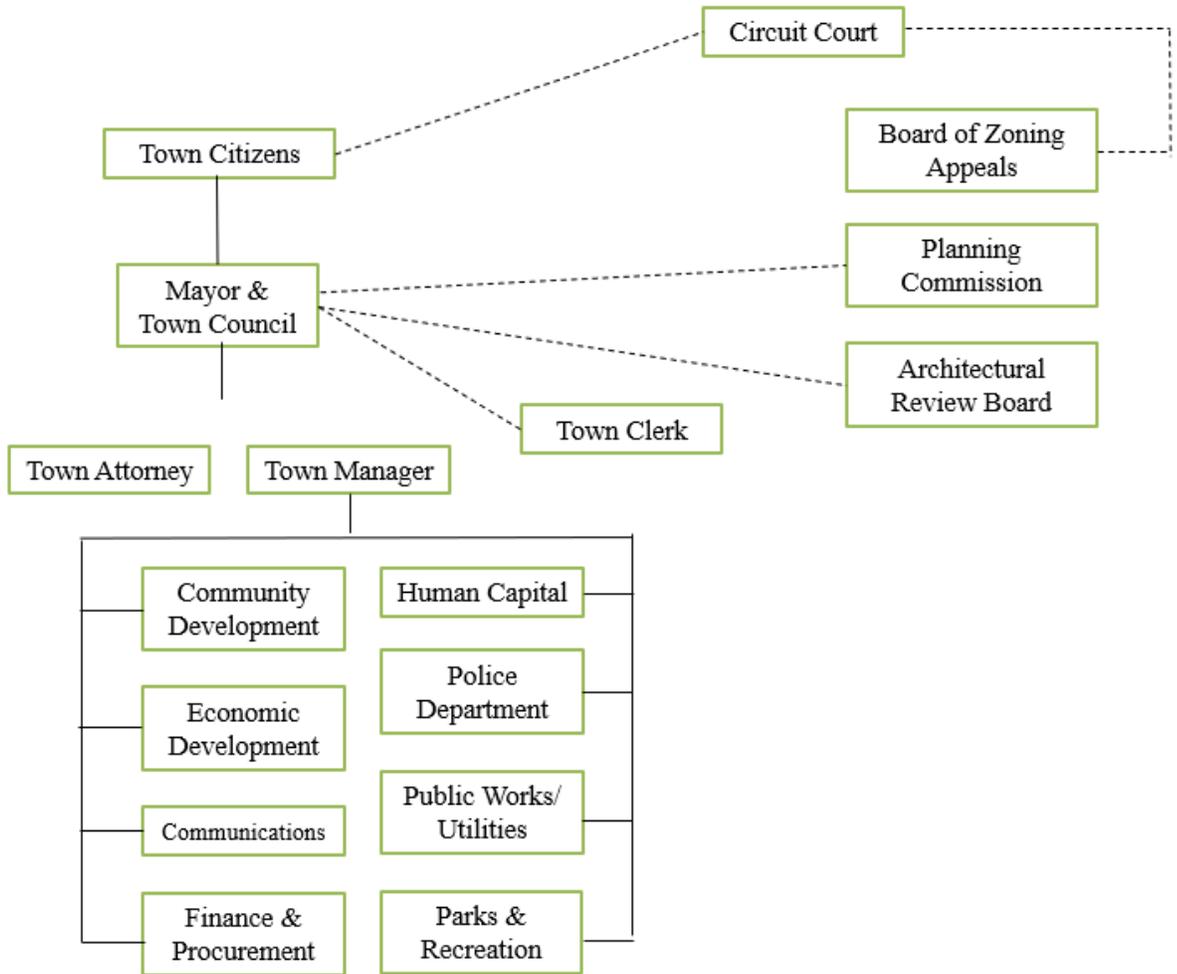
Brandie Schaeffer



TOWN OF WARRENTON WARD MAP



ORGANIZATIONAL CHART



Departmental organization charts are provided in each budget section.

FUND STRUCTURE & USES

The Town of Warrenton's financial system is organized into funds. These funds can be broken down into two major types: governmental and proprietary funds

GOVERNMENTAL FUNDS

Governmental funds focus on current financial resources and use the modified accrual basis of accounting. Revenue is recognized when determined to be collectible within the period, and liabilities are recorded when incurred. The Town of Warrenton has three governmental funds, described in more detail below.

General Fund

This is the government's primary operating fund. This fund accounts for all tax revenues and expenditures such as general government administration, public safety, public works, community development, and recreation.

Capital Improvement Plan Fund

This fund accounts for capital outlay and capital projects approved as part of the Town's Capital Improvement Plan (CIP). The threshold for items included in the current CIP is \$10,000. The CIP process is described in more detail in the program description for the Capital Improvement Program Fund.

General Asset Replacement Fund

This fund was established in FY 2021. It serves as a sinking fund for the replacement of existing assets that the Town utilizes to provide services to residents. Such assets include vehicles, network servers and other large repair and replacement projects.

PROPRIETARY FUNDS

There are two types of proprietary funds: enterprise funds and internal service funds. These funds use the accrual basis of accounting, similar to private sector businesses. Enterprise funds account for the delivery of goods and services to the public. Internal Service funds account for the delivery of goods and services from one Town department to others on a cost reimbursement basis. The Town has three enterprise funds and two internal service funds, described below.

Enterprise Funds

Water & Sewer Operating Fund - accounts for all revenues and expenses related to water production, transmission, distribution and sewage treatment.

Water & Sewer Capital Fund – accounts for all capital outlay and improvements for the water and sewer utility function.

Stormwater Management Fund – accounts for all revenues and expenses related to the State-mandated Stormwater Management program, including capital expenses. This is a new fund that became active for fiscal year 2022.

Internal Service Funds

Motor Pool – accounts for all expenditures for repair and maintenance of Town vehicles and motorized equipment.

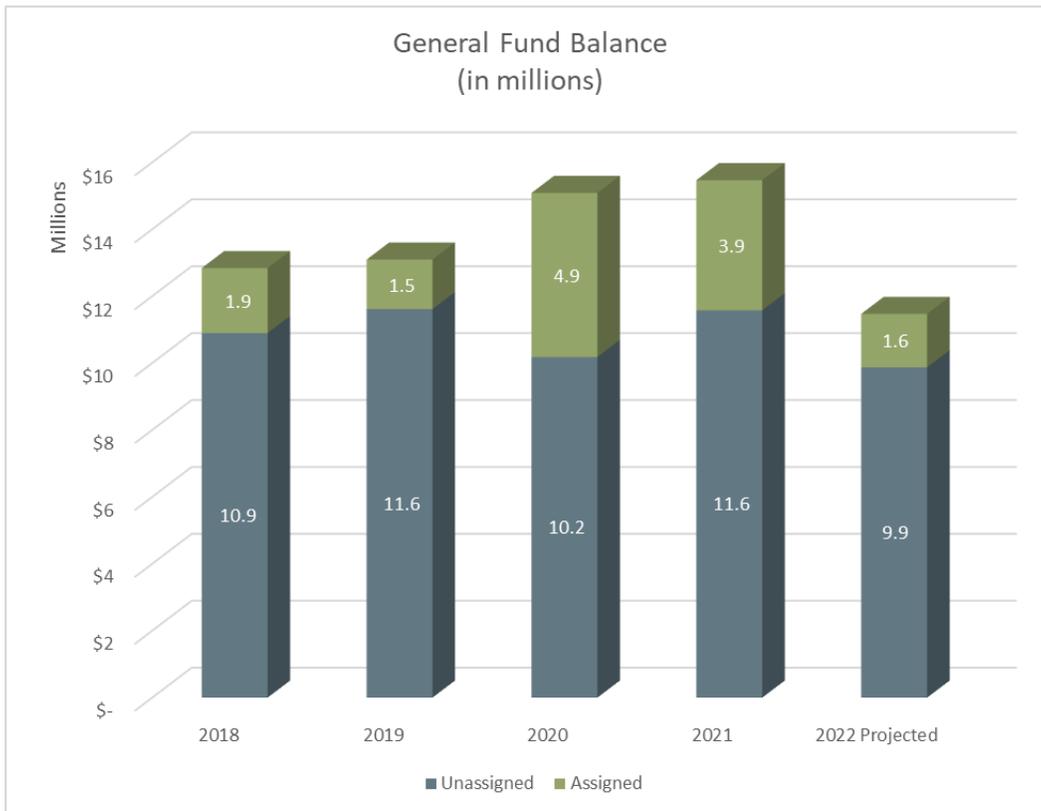
Information Technology – accounts for all expenditures related to information technology needs of Town departments.

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

ESTIMATED FUND BALANCE

The Town's main operating fund is the General Fund. The fund balance of the General Fund may be likened to a savings account. In any given year, if revenues are greater than expenditures (sometimes referred to as a surplus) this amount is added to the fund balance of the General Fund. Similarly, if expenditures exceed revenues, then the Town's obligations are met by utilizing a portion of this fund balance. Fund balance is divided into several categories, which represent what is committed to other uses and what is available to spend.

Unassigned Fund Balance represents the amount that is available for spending and can be used as a measure of the overall fiscal health of the Town. The following chart provides a recent history of the Town's General Fund total fund balance, and the portion that is unassigned.



Since 2018 the Town has maintained a total fund balance in the range of \$12.5M to \$15.7M, with a significant portion of that figure being unassigned and available for spending. The Town follows an adopted policy that maintains 50% of general fund operating expenditures in reserve. That amount for the FY22 proposed budget is \$8.1M, which leaves \$1.9M available for spending. This budget projects the Town to be at 50% of general fund operating expenditures in reserve by June 30, 2023.

GENERAL FUND SUMMARY

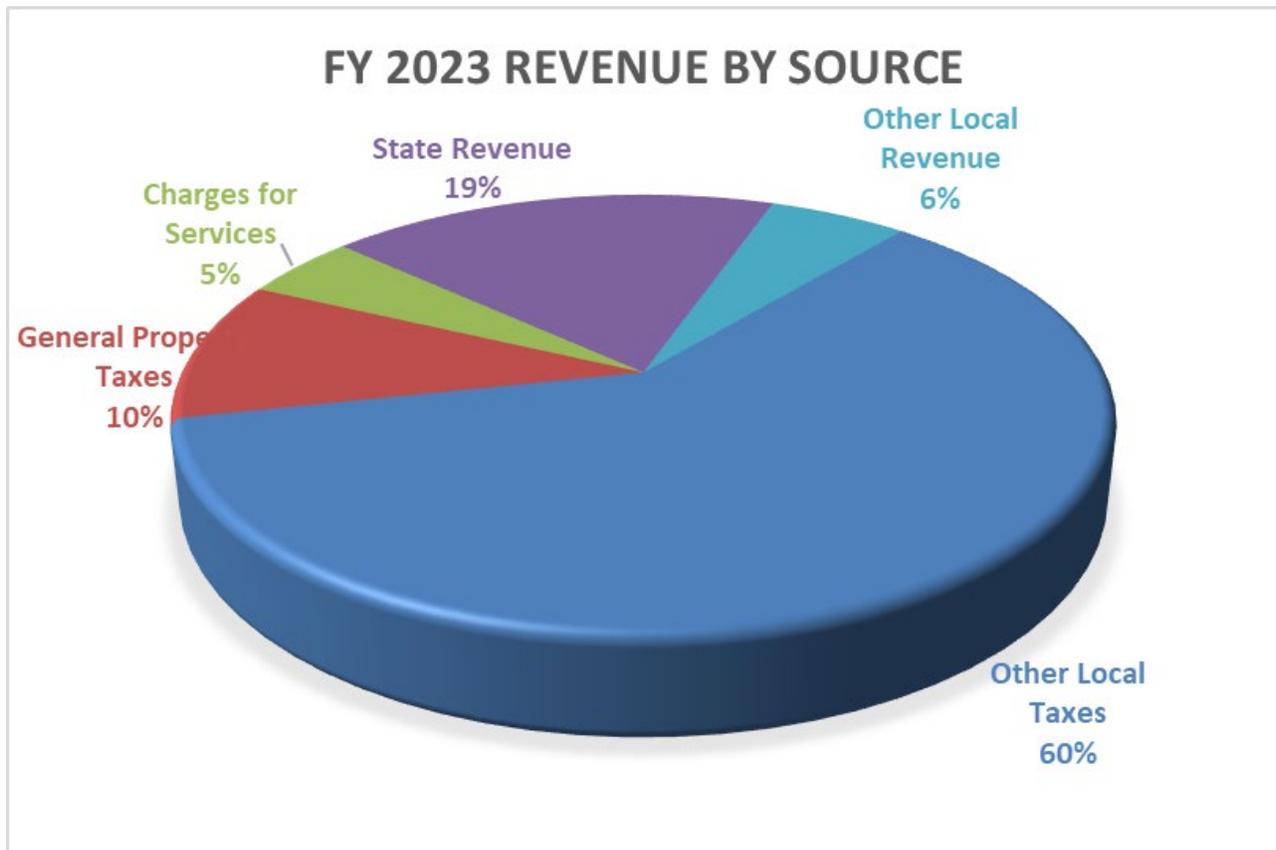
The Town's General Fund serves as the chief operating account for the Town government. All tax revenues and revenues not required to be reported in another fund are accounted for here. Functional expenditures accounted for in the General Fund include general government administration, public safety, public works, recreation, and community development.

<u>REVENUE</u>	FY 2022 <u>Adopted</u>	FY 2023 <u>Proposed</u>	Increase / <u>(Decrease)</u>
General Property Taxes	\$ 1,414,275	\$ 1,654,488	\$ 240,214
Other Local Taxes	7,452,369	9,675,138	2,222,769
Licenses, Permits & Fees	180,950	328,065	147,115
Fines & Forfeitures	185,000	139,871	(45,129)
Use of Money/Property	200,000	128,257	(71,743)
Charges for Services	695,154	760,877	65,723
Miscellaneous Revenue	223,687	319,771	96,084
Non-Categorical Aid	570,150	514,522	(55,628)
Categorical Aid	2,433,992	2,457,116	23,124
Federal Revenue	-	-	-
Transfers/Proffers	15,000	15,000	-
Bond Proceeds	-	300,000	300,000
<u>Use of Fund Balance</u>	<u>2,971,653</u>	<u>1,890,844</u>	<u>(1,080,809)</u>
Total Gen. Fund Revenue	\$ <u>16,342,229</u>	\$ <u>18,183,951</u>	\$ <u>1,841,721</u>
 <u>EXPENDITURES</u>			
General Government	\$ 1,885,605	\$ 2,720,330	\$ 834,725
Public Safety	3,873,414	4,394,485	521,071
Public Works	4,058,354	4,699,126	640,772
Parks and Recreation	2,203,492	2,667,655	464,163
Community Development	1,353,175	1,383,247	30,072
Contributions	53,054	68,354	15,300
<u>Nondepartmental</u>	<u>202,645</u>	<u>352,645</u>	<u>150,000</u>
Subtotal Operating	\$ 13,629,739	\$ 16,285,842	\$ 2,656,103
 Debt Service	 \$ 966,480	 \$ 855,618	 \$ (110,862)
<u>Transfer to Capital</u>	<u>1,746,010</u>	<u>1,042,491</u>	<u>(703,519)</u>
Subtotal Capital	\$ 2,712,490	\$ 1,898,109	\$ (814,381)
 Total Gen. Fund Expenditures	 \$ <u>16,342,229</u>	 \$ <u>18,183,950</u>	 \$ <u>1,841,721</u>

Figures may not be exact due to rounding.

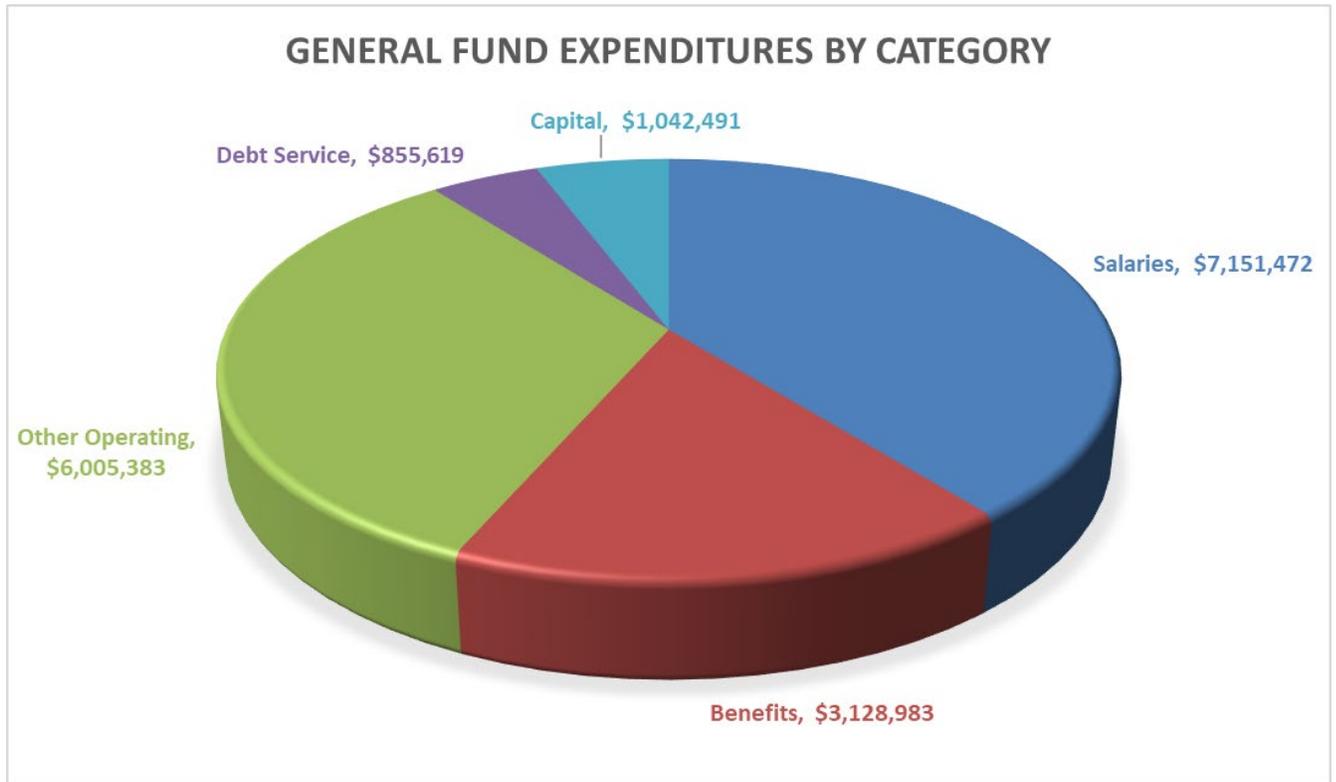
General Fund Revenue

The FY 2023 General Fund Budget includes \$15,978,106 in current year revenue, which is an increase of \$2,662,530, or 20%, compared to the FY 2022 Budget. The largest increase is in Other Local Taxes category, which is \$2,222,769, or 29.8% over FY22. Other Local Taxes remains the largest source of revenue for the General Fund at 48.6%. This category includes Meals Tax, Sales Tax, Business, Professional and Occupational License (BPOL) Tax, Lodging Tax, Cigarette Tax, Bank Franchise Tax, Vehicle License Tax and Consumer Utility Tax. Due to the economic impacts of the recovery from the pandemic and high inflation, the FY 2023 assumes an increased rate of taxes for the Meals Tax and Cigarette Tax. Additionally, the budget includes the use of \$1,890,844 of fund balance. This is a decrease of \$1,080,809 over the prior year budget. Fund balance is normally used exclusively to fund capital projects and debt service issued in support of capital. However, even with the increased tax rates for Meals Tax and Cigarette Tax, the budget shows an operating deficit of \$863,354, so additional fund balance is programmed to balance the FY 2023 budget. Total Revenue of \$18,183,951 represents an increase of \$1,841,721 or 11.3% compared to the FY 2022 Budget. The following chart shows the percentage of General Fund Revenue by source.



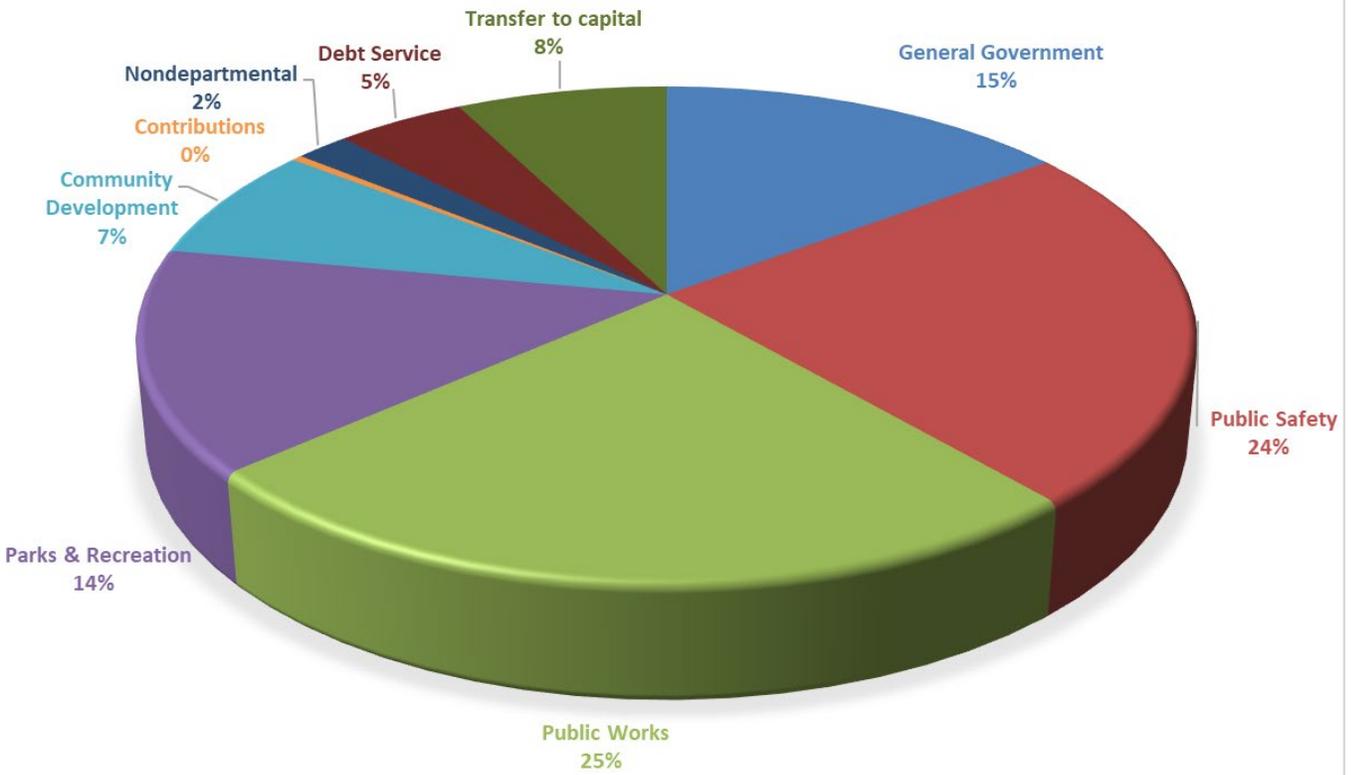
General Fund Expenditures

The following chart illustrates general fund expenditures by category. The largest category of expenditure for the General Fund is salaries at 39.3%. Over half, 56.5%, of the general fund budget is related to personnel and benefits.



The chart below provides an overview of general fund expenditures by functional area. In the budget detail for the general fund that follows, departmental expenditures are grouped by functional area (general government, public safety, public works, community development, contributions, transfers, and nondepartmental). A leading page summarizing the function is followed by detail for the departments within that function.

GENERAL FUND EXPENDITURES BY TYPE



GENERAL FUND REVENUE

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

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
<u>Local Revenue</u>					
General Property Taxes	\$ 1,352,863	\$ 1,379,006	\$ 1,414,275	\$ 1,654,488	\$ 240,214
Other Local Taxes	7,384,067	8,733,891	7,452,369	9,675,138	2,222,769
Permits & Other Licenses	226,686	294,301	180,950	328,065	147,115
Fines & Forfeitures	155,478	112,113	185,000	139,871	(45,129)
Use of Money & Property	305,113	22,472	200,000	128,257	(71,743)
Charges for Services	871,185	468,599	695,154	760,877	65,723
Miscellaneous	531,672	245,825	223,687	319,771	96,084
Total Local Revenue	\$ 10,827,064	\$ 11,256,208	\$ 10,351,434	\$ 13,006,469	\$ 2,655,034
<u>State Revenue</u>					
State Revenue	\$ 2,950,791	\$ 2,970,170	\$ 3,004,142	\$ 2,971,638	\$ (32,504)
<u>Federal Revenue</u>					
Federal Revenue	26,291	1,843	-	-	-
Total State & Federal Revenue	\$ 2,977,082	\$ 2,972,013	\$ 3,004,142	\$ 2,971,638	\$ (32,504)
Subtotal - Current Revenue	\$ 13,804,146	\$ 14,228,221	\$ 13,355,576	\$ 15,978,106	\$ 2,622,530
<u>Transfers</u>					
Transfers	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -
Use of Bond Proceeds	-	-	-	300,000	(300,000)
Use of Fund Balance	-	-	2,971,653	1,890,844	1,080,809
Total General Fund	\$ 13,804,146	\$ 14,228,221	\$ 16,342,229	\$ 18,183,951	\$ 3,403,338

General Property Taxes

General property taxes are estimated to be \$1,654,488 and account for 9% of General Fund revenue in FY 2023. The County Commissioner of the Revenue serves as the assessor for parcels located in the Town.

Town real estate taxes are billed in two installments each year – the first half is due June 15 and the second half is due December 15. The County conducts a general real estate reassessment every four years. The values for the most recent reassessment were effective January 1, 2022. The total value of the Town's parcels increased 22% due to the reassessment. An increase of 18% has been projected for Real Estate Tax as a result of the new assessment.

In projecting personal property tax revenues, the Town adds prior years' total assessments and factors in current year estimates based upon historical trends. Since tax year 2007, the Town has received a fixed lump sum payment from the

Commonwealth of \$718,492 in accordance with the Personal Property Tax Relief Act. This enables the Town to continue to provide 100% personal property tax relief to the owners of qualified vehicles.

FY 2023 TAX RATES		
Property Category	Tax Rate (per \$100 assessed valuation)	Assessment Ratio
Real Estate	\$0.05	100%
Mobile Homes	\$0.00	100%
Tangible Personal Property – General	\$1.00	100%
Tangible Personal Property – Handicapped	\$0.00	100%
Motor Homes, Campers and Boats	\$0.00	100%
Machinery and Tools	\$1.00	100%
Business Personal Property & Computers	\$1.00	100%

Other Local Taxes

This category represents the largest source of revenue for the General Fund. It is comprised of nine different local taxes, shown in the chart below and described in detail in the subsequent paragraphs. This revenue category was one of the most impacted by the COVID-19 pandemic.

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Local Sales Taxes	\$ 781,649	\$ 925,159	\$ 859,814	\$ 670,422	\$ (189,392)
Consumer Utility Taxes	501,058	495,402	504,000	495,419	(8,581)
BPOL	2,103,567	2,438,043	2,002,200	2,272,525	270,325
Utility Consumption Taxes	68,131	61,994	71,230	64,452	(6,778)
Motor Vehicle Licenses	237,352	239,788	225,000	225,000	-
Bank Franchise Taxes	792,547	1,367,587	800,000	800,000	-
Meals Taxes	2,515,019	2,828,431	2,620,500	4,500,000	1,879,500
Cigarette Taxes	202,138	180,437	200,000	427,321	227,321
Transient Occupancy	182,606	197,050	169,625	220,000	50,375
Total Other Local Taxes	\$ 7,384,067	\$ 8,733,891	\$ 7,452,369	\$ 9,675,138	\$ 2,222,769

Local Sales Taxes - The Town of Warrenton and Fauquier County levy a 1% local sales tax as allowed by State law. This revenue item is collected by the Commonwealth in conjunction with the State sales and use tax and is returned to the County for distribution. Fauquier County receives 50% of local sales tax collections with the remaining 50% split between the County and Incorporated Towns based on the number

of school aged children in each locality. Revenue estimates are based on prior year's receipts and historical trends. The Town is projecting a decrease in local sales tax revenue based on the anticipated elimination of the Commonwealth's 1.5% sales tax on grocery items. The elimination of the grocery tax will result in an 18% decrease in local sales tax collection for a total sales tax revenue estimate of \$670,420.

Consumer Utility Taxes - The Town levies a consumer utility tax on residential and commercial electric and natural gas utilities. The revenue estimate of \$495,419 is based on prior year's revenues. Consumer utility taxes are a consistent source of revenue for the Town and represent 2.7% of General Fund revenues. Tax rates are shown in the following tables.

Electric Consumer Utility Tax

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

Natural Gas Utility Tax

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

Business, Professional and Occupational License (BPOL) Tax - The Town requires every business located within the corporate limits to pay an annual license tax based upon their prior calendar year gross receipts. Businesses are taxed at varying rates based on classifications developed by the State. In FY 2019, the Town lowered the rates for the two highest categories by ten percent – Professional Services and Business Services.

Business Category	Rate/\$100 Gross Receipts	Maximum Allowed
Business, Personal & Repair Services	16.83¢	36.00¢
Contractors	8.50¢	16.00¢
Professional, Financial & Real Estate Services	26.78¢	58.00¢
Retail	10.00¢	20.00¢

Business Category	Rate/\$100 Gross Receipts	Maximum Allowed
Wholesale	4.25¢	5.00¢

With \$2,272,525 projected revenue for FY 2023, this is the second largest local revenue source for the General Fund and represents 12.6% of total revenue.

Utility Consumption Taxes – Effective January 1, 2001, the Commonwealth of Virginia mandated that in addition to consumer utility taxes, purchasers of electric utility services are also subject to a consumption tax. This tax must be charged monthly to consumers by the electric service providers. The tax includes two state components and one local component. Revenue in this category has been fairly level through the years. Estimated to be \$64,452 for FY 2023, it represents 0.4% of the General Fund budget. The local tax rate structure is shown in the following table.

Usage (kWh)	Local Tax Rate
Up to 2,500	\$0.00038 / kWh
Over 2,500 up to 50,000	\$0.00024 / kWh
Over 50,000	\$0.00018 / kWh

Motor Vehicle Licenses - The Town historically required a motor vehicle decal to be purchased annually and placed on all motor vehicles garaged in the Town as proof of payment of personal property taxes. The Town Council voted to eliminate the annual decal requirement as part of the FY 2017 budget process and implement an annual vehicle license fee instead. The vehicle license fee is included on personal property tax bills, due December 15th. This category is estimated at \$225,000 for FY 2023 and represents 1.22% of General Fund revenue.

Bank Franchise Taxes - The Town levies a tax on the net capital of all banks located within the corporate limits at the rate of 80% of the State’s franchise tax rate. The rate is 80¢ per \$100 of net capital. Revenue in this category spiked during FY 2021 due to a large collection from Capital One, but the projection for the FY 2023 budget is \$800,000 to bring it back in line with its trend. This category accounts for 4.3% of General Fund revenue.

Meals Tax - The Town currently levies a 4% local tax on meals as defined by the model meals tax ordinance adopted in 2000. It is a significant source of revenue, representing 16.6% of the General Fund budget, and is dependent on the regional travel and tourism economy in addition to residents. For FY 2023, the budget assumes an increase to 6% local tax on meals. This would add an additional \$1,500,000 to revenue for a total

estimated amount of \$4,500,000. This tax accounts for 24.4% of General Fund Revenue.

Cigarette Tax – As a member of the Northern Virginia Cigarette Tax Board, the Town levies a local tax on all cigarettes sold within the corporate limits. The tax rate was raised in FY 2019 to 20¢ per packet. First levied in FY 1992, this revenue stream has reflected decreases in recent years, most likely for health reasons. Studies have shown that smoking has increased during the pandemic, likely due to stress, so an increase of 13.7% had been programmed into the budget. In addition, the budget assumes an increase of 20¢ per pack. This added tax would bring in an additional \$227,321 compared to FY 2022. This tax accounts for 2.3% of the General Fund revenue budget.

Transient Occupancy Tax – The Town levies a 4% tax on hotel and motel room rentals within the Town. Transient occupancy tax collections have shown modest but steady increases in recent years. The Town is hopeful that a revitalization of Old Town and focus on improving tourism in the area will result in increased revenues in this category. Transient occupancy tax is estimated to be \$220,000 in FY 2023 and accounts for 1.2% of total General Fund revenue. Transient Occupancy Tax revenues have been down due to the COVID-19 pandemic, but the Town is projecting a return to normal occupancy for FY 2023. This tax accounts for 1.2% of the General Fund revenue budget.

Permits, Fees & Licenses

This revenue source consists primarily of user and permit fees for building or planning related items. Total revenues in this category have been adjusted according to estimates of zoning and building activity, reflecting an increase compared to the FY 2022 budget. At \$328,065, this category represents 1.8% of the General Fund budget. Fees associated with the Town's Municipal Cemetery are also included in this revenue category.

Fines & Forfeitures

Revenue in this category is estimated to be \$139,871 for FY 2023, which is a decrease of \$45,129 compared to FY 2022. This category represents 0.8% of the General Fund budget. Court Fines & Forfeitures are traffic, civil and criminal fines received from the Juvenile & Domestic Relations, General District and Circuit Courts. Court fine collection has decreased significantly, partly due to a 2021 law that reduces traffic stops. Parking Fines are those assessed by the Town Police Department and collected by the Town. Parking fine revenue is estimated to be equal to FY 2022.

In 2015, the Town Council passed a resolution authorizing the addition of the E-summons fee to tickets written in the Town. This \$5.00 charge is added to tickets written within the Town limits and is remitted to the Town on a monthly basis. The FY 2023 revenue estimate for this fee is \$12,330.

Revenue in this category accounts for 0.8% of General Fund revenue.

Use of Money & Property

Interest and investment revenue fluctuate with the general economy and the level of the Town's cash balance. In the fall of 2016, the Town Council amended the Town's Investment Policy to authorize the investment of Town funds in the Virginia Investment Pool. This has resulted in higher earnings in subsequent years. Although the Federal Reserve is expected to raise interest rates for the first time since 2018, interest rates will still remain very low. Because FY 2022 interest and investment revenue are unlikely to meet the \$200,000 budgeted for FY 2022, projections for FY 2023 have been scaled back \$128,257, which represents 0.7% of General Fund revenue.

Charges for Services

Revenue in this category includes rentals of pavilions and fields at various parks, and membership and other fees for the use of the Warrenton Aquatic and Recreation Facility (WARF). Overall revenue for the WARF is projected to be \$760,877, which is \$65,723 more than the estimate for FY 2022. Although revenues have increased as the COVID-19 pandemic wanes, the Town does not anticipate revenues to reach pre-pandemic levels in FY 2023. This category represents 4.1% of General Fund revenue for FY 2023.

Miscellaneous Revenue

The primary sources of revenue in this category are a contribution from the PATH Foundation in support of a third route for the Circuit Rider (\$50,727), and an annual contribution for the support of the Warrenton Fauquier Visitor's Center from Fauquier County (\$42,600). Additionally, this revenue category includes the sale of surplus property, recycling income, and recovered costs. The sale of burial permits and proffers for traffic control, recreation, fire, and rescue are also accounted for in this category. Revenue estimates are based on historical data. At \$319,771, this category represents approximately 1.7% of total General Fund.

State Revenue

Non-Categorical Aid - Receipts from the Commonwealth not earmarked for a particular program are included in this category. For the Town, this category includes Motor Vehicle Rental Tax, Rolling Stock Tax, and Communications Sales Tax. A 5% tax on short-term vehicle rentals is collected by the Virginia Department of Motor Vehicles, and then returned to the locality in which the rental took place. Rolling Stock tax is levied by the Commonwealth on railroad lines and motor carriers located within the corporate limits. The Communications Sales Tax is collected by providers and remitted to the State on a monthly basis. Although games of skill are banned in Virginia, a law was enacted in 2020 to tax and regulate games of skills for one year as a response to the COVID-19 pandemic. That law has expired, and games of skill are banned once again. Non-categorical aid revenue of \$514,522 represents 2.8% of the General Fund budget and is shown by category below.

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Motor Vehicle Rental Tax	\$ 112,623	\$ 111,148	\$ 115,000	\$ 129,823	\$ 14,823
Rolling Stock Tax	107	112	150	77	(73)
Communications Tax	446,514	396,605	455,000	384,622	(70,378)
Game of Skill Tax	-	5,904	-	-	
Total Non-Categorical Aid	\$ 559,244	\$ 513,769	\$ 570,150	\$ 514,522	\$ (55,628)

Categorical Aid - This revenue category reflects grants and reimbursements from the Commonwealth that are to be expended by the locality for specific programs. Dollar amounts in this category vary from year to year based upon program availability and established reimbursement rates. Estimates in all categories are based on preliminary estimates from the Commonwealth with the exception of street and highway maintenance, which is based on an actual per mile reimbursement rate for Town maintained arterial and collector streets and will remain equal to FY 2022. The Town anticipates other Categorical items to remain fairly level compared to FY 2022. VDOT Revenue Sharing is reported in the Capital Improvement Program Fund to more accurately match revenues with related expenditures. Categorical Aid accounts for 13.3% of the General Fund budget.

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
VDOT Street & Highway Maintenance	\$ 1,443,028	\$ 1,455,512	\$ 1,450,000	\$ 1,450,000	\$ -
PPTRA Revenue	718,492	718,492	718,492	718,492	-
VDFP Aid to Localities	35,005	36,628	36,000	37,994	1,994
DCJP Section 599 Funds	219,660	237,815	220,000	233,186	13,186
VCA Grant	4,500	-	4,500	4,500	-
Litter Control Grant	5,422	7,355	5,000	6,589	1,589
State Asset Forfeiture	5,296	599	-	6,355	6,355
Other	(39,856)	-	-	-	-
Total Categorical Aid	\$ 2,391,547	\$ 2,455,802	\$ 2,433,992	\$ 2,450,761	\$ 16,769

Non-Revenue Receipts

Proceeds from Indebtedness – The FY 2023 budget uses \$300,000 from the 2019 GO bond issuance which will be used to fund the capital program.

Use of Fund Balance – The use of fund balance in the amount of \$1,890,844 is necessary to balance the FY 2022 budget for the General Fund. This represents 10.4% of the total funding sources for the General Fund budget. This amount is used to cover the transfer to the Capital Improvement Program Fund in support of projects identified in the Town’s 2023 – 2028 Capital Improvement Plan and debt service for debt issued in support of capital expenditures.

GENERAL FUND EXPENDITURES

GENERAL GOVERNMENT ADMINISTRATION

Function Overview

This functional area accounts for the general administration of Town government. Departments accounted for in this grouping include Legislative (Town Council), Executive (Office of the Town Manager), Legal Services (Town Attorney), the Department of Finance and Procurement, Other Organizations, and Elections. Emergency Services, Human Capital, Economic Development, and Communications are divisions of the Office of the Town Manager. Funding for General Government Administration \$2,720,329, or 17%, of the general fund.

Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Council	\$ 187,698	\$ 212,551	\$ 237,178	\$ 311,838	\$ 74,660
Town Manager	216,723	256,207	320,301	456,197	135,896
Emergency Services	-	26,053	132,998	186,872	53,874
Human Capital	-	-	102,628	226,634	124,006
Economic Development	-	-	-	221,073	221,073
Communications	-	-	79,088	93,039	13,951
Legal Services	201,482	171,604	212,285	195,747	(16,538)
Finance and Procurement	670,866	671,317	775,834	1,003,637	227,803
Other Organizations	7,619	7,652	9,342	9,342	-
Elections	13,372	-	15,950	15,950	-
Total	\$ 1,297,760	\$ 1,345,383	\$ 1,885,605	\$ 2,720,329	\$ 834,724
Revenue	\$ 29,531	\$ 28,551	\$ 32,000	\$ 38,520	\$ 6,520
Net Expenditure	\$ 1,268,229	\$ 1,316,832	\$ 1,853,605	\$ 2,681,809	\$ 828,204

Revenue directly related to this function is estimated to total \$38,520, bringing the net expenditure to \$2,681,809.

Greater detail for each of the above departments is provided in the following pages.

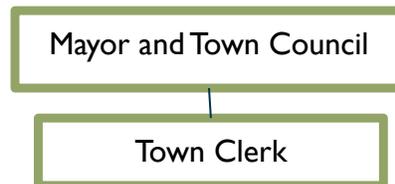
Legislative

Program Description

The Council of the Town of Warrenton consists of seven Council members and an independently elected Mayor, each of whom serve four-year overlapping terms. All legislative powers of the Town are vested in the Town Council. The Mayor of Warrenton presides over the meetings of Council but does not vote in the Council meetings except in the case of a tie.

The Council, under the laws of the Commonwealth of Virginia and the Town Charter, determines the needs of the citizenry and the best way to respond to these needs, by establishing ordinances, policies, and adopting budgets which underwrite the kind, manner, and cost of the types of services to be delivered.

Current Staffing



The Legislative function consists of a seven-member elected Town Council, an elected Mayor, and an appointed Town Clerk.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 116,291	\$ 120,521	\$ 125,183	\$ 166,445	\$ 41,262
Operating	71,401	92,030	111,996	144,393	32,398
Capital	6	-	-	1,000	1,000
Total	\$ 187,698	\$ 212,551	\$ 237,178	\$ 311,838	\$ 74,660
Staffing Summary					
Full-time equivalents	0.50	0.50	0.73	1.00	0.28

Budget Request / Analysis

The Council budget includes funds for the Mayor and Council members' salaries and fringe benefits, the Town Clerk, advertising costs for Council-related public hearings, travel expenses for elected officials to attend conferences and other typical operating expenses to support Mayoral and Council activities.

The total budget for Town Council is \$311,838, an increase of \$74,660 from the prior fiscal year's budget. The personnel category reflects an increase of \$41,262 due to the upgrade of the Town Clerk from a part-time position to full-time. The operating increase of \$32,398 is due to an increase in charges for Information Technology. On the capital side, \$1,000 was added for furniture and fixtures.

Executive

Program Description

The Executive Department accounts for the operation of the Town Manager's office. According to the Town Charter, the Town Manager is the chief executive officer of the Town and is responsible to the Council for the proper administration of the Town government. The duties and powers of the Town Manager are:

- To see that all laws and ordinances are enforced.
- To exercise supervision and control over all administrative departments and divisions.
- To attend all regular meetings of the council, with the right to take part in the discussion, but having no vote.
- To recommend to the council for adoption such measures as he or she may deem necessary or desirable.
- To execute all contracts on behalf of the town.
- To prepare and submit to the council the annual budget.
- To keep the council advised as to the present and future needs of the town and as to all operations of its government.
- To perform all such other duties as may be prescribed by the charter or be required of the Town Manager by the council.

Current Staffing



Staffing for this department consists of a full-time Town Manager and a full-time Executive Assistant. All Department Directors report to the Town Manager, along with the Economic Development Manager. The Economic Development Manager position is currently vacant.

Goals

- Evaluate and Adjust the Organizational Structure for Improved Customer Service
- Maintain Fiscal Vigilance in response to COVID-19 Pandemic
- Complete Strategic Priorities and Project within budget constraints
- Plan and Implement Capital Improvements
- Continue to improve the use of Technology throughout Organization

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 187,640	\$ 208,302	\$ 229,084	\$ 350,562	\$ 121,477
Operating	29,083	47,905	91,217	105,635	14,419
Capital	-	-	-	-	-
Total	\$ 216,723	\$ 256,207	\$ 320,301	\$ 456,197	\$ 135,896
Staffing Summary					
Full-time equivalents	1.30	2.35	1.61	2.61	1.00

Budget Request / Analysis

The FY 2023 budget of \$456,197 reflects an increase of \$135,896, or 42.4%, compared to the current budget. For FY 2023, 80% of the Town Manager's and Executive Assistant's salary will be allocated here. The personnel increase of \$121,477 reflects the addition of a Grants Officer in the Town Manager's budget. This position will assist the Town in finding outside funding opportunities to support operations.

The operating category includes items for office equipment leases, memberships and dues, travel and training, subscriptions, and office supplies. The operating increase of \$14,419 is due to the allocation of Information Technology and Motor Pool expenses to departments. All other operating items remain unchanged for FY 2023.

This department represents 2.5% of the total General Fund budget.

Emergency Services & Risk Management

Program Description

The Emergency Services and Risk Manager is responsible for ensuring that disaster-related plans are up to date, exercised and meet the applicable State and Federal criteria. The position is responsible for staffing the Emergency Operations Center and coordinating incident response, management, and mitigation. Safety and risk management programs seek to promote safe working environments, conformance to OSHA regulations, and to realize cost savings related to property, workers compensation, and liability insurance.

Current Staffing

This department is staffed by one full-time Emergency Services and Risk Manager who reports directly to the Town Manager. The position is allocated 50/50 between the General Fund and the Water and Sewer Fund.

Goals

- Work with all departments to provide targeted safety training programs.
- Reduce the rate of preventable accidents and Occupational Safety and Health Administration (OSHA) reportable workplace injuries/illnesses.
- Collect and track data so that corrective measures can be implemented by Department/Division heads to address trends and reduce liability.
- Develop, maintain, and support partnerships with community-serving organizations, neighborhood groups, and other public agencies to engage the Town's diverse population on emergency preparedness and safety.
- Provide leadership, management, and decision-making before, during, and after any incident, natural or human-made, that may affect the Town government or its citizens.

FY 2022 Highlights

- Updated the Warrenton Reservoir IAP
- Approved and adopted Continuity of Operations Plan
- Community Water System Emergency Response Plan
- Updated the Special Events Policy and formed the Special Events Task Group
- WARN mutual aid agreement
- OSHA 10 training for Public Works
- Drafted Emergency Operations Plan
- Drafted Illness and Injury Prevention Plan

Key Projects for FY 2023

- Hazard Communication plan development, implementation, and training
- Work with departments and the Human Capital Manager to implement safety training during new employee on-boarding
- Continue to focus on NIM/ICS implementation
- Complete the Threat and Hazard Identification Risk Analysis (THIRA)
- Complete the Local Capability Assessment for Readiness (LCAR)

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ -	\$ 22,036	\$ 44,134	\$ 62,331	\$ 18,197
Operating	-	4,017	88,864	116,040	27,177
Capital	-	-	-	8,500	8,500
Total	\$ -	\$ 26,053	\$ 132,998	\$ 186,872	\$ 53,874
Staffing Summary					
Full-time equivalents	0.00	0.50	0.50	0.50	0.00

Budget Request/ Analysis

The FY 2023 budget for Emergency Services and Risk Management is \$186,872, an increase of \$53,874 over FY 2022. The \$18,197 increase in personnel is primarily due to a change in healthcare election. The \$27,177 increase in operating for FY 2023 is due primarily to a \$10,000 increase for professional services related National Threat and Hazard Identification and Risk Assessment and the Local Capability Assessment for Readiness plan developments and a \$7,326 increase due to the Information Technology allocation. In addition, \$3,500 has been programmed for additional training pertinent to Enterprise Security Risk Management. An increase of \$8,500 has been added for tools in the capital category.

Goals, Objectives, and Measures

Mission: The Division of Emergency Services & Risk Management is responsible for the preparation, planning, and management of the Town's response efforts during emergencies, and risk mitigation for all Town departments.

The following goals and objectives have been identified by the Emergency Services and Risk Management Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Independent Emergency Management Agency recognition from the Virginia Department of Emergency Management	<ul style="list-style-type: none"> • Adoption of the Emergency Operations Plan (EOP) by Town Council 	<ul style="list-style-type: none"> • Resolution
	<ul style="list-style-type: none"> • State approval of the EOP 	<ul style="list-style-type: none"> • State Validation
Full implementation of the Illness and Injury Prevention Plan	<ul style="list-style-type: none"> • Assign each department a safety coordinator 	<ul style="list-style-type: none"> • Perform a comparative analysis to previous years in order to chart the success of key performance indicators
	<ul style="list-style-type: none"> • Formation of the safety committee 	
	<ul style="list-style-type: none"> • Reduce workplace hazards and promote a culture of safety 	

Human Capital

Program Description

This department's mission is to deliver thought and servant leadership that meets the needs of our employees (current and prospective), Town residents, the Town Manager, and the Town Council. To achieve maximum efficiency and success, the Human Capital department is broken into four pillars: Recruitment, Benefits, Governance, and Cultivation.

Current Staffing

This function is staffed by one full-time Human Capital Manager who reports to the Town Manager. This position is split 50/50 between the General Fund and the Water and Sewer Fund.

Goals

- To promote and recruit the best qualified workforce through strategic, tactical, and community (internal/external) engagement and outreach initiatives.
- To develop, execute, and maintain an agile compensation strategy that incorporates a competitive salary and benefits package through continuous market trends analyses of similar local governments.
- To create, establish, and communicate effective and practical policies and procedures that promote equity and integrity while adhering to Town code of conduct as well as regulatory compliance
- To empower employees by providing them with the necessary tools and training to perform their daily duties.

FY 2022 Highlights

- Updated policies and procedures;
- Updated and streamlined operating programs that include performance management program, hiring/separation program, employee relations program, and streamlining of Human Capital and Payroll processes and procedures;
- FY22 Holiday luncheon;
- Implemented new ATS, HRIS, payroll, and T&L system;
- Assisted in preparation for the Town Compensation Study review

Key Projects for FY 2023

- Compliance Focus: update policies and procedures to meet state/federal guidelines as well as adapt to our culture;
- Enhance existing and create new programs (virtual and in-person) for employees to have better resources, tools, and work/life balances;

- Build a program to be able to track performance metrics (ROIs) on Human Capital goals and objectives;
- Assisted in preparation for the Town Compensation Study review

Budget Summary

Human Capital

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ -	\$ -	\$ 87,105	\$ 147,219	\$ 60,115
Operating	-	-	15,524	79,415	63,891
Capital	-	-	-	-	-
Total	\$ -	\$ -	\$ 102,628	\$ 226,634	\$ 124,006
Staffing Summary					
Full-time equivalents	0.00	0.00	0.50	1.23	0.73

Budget Request/ Analysis

This was a newly established department in FY 2022. The FY 2023 budget shows an increase of \$124,006 over FY 2022. The \$60,115 increase in personnel is due to the addition of a part-time Human Capital Generalist and a small budget of \$6,875 for a wellness program. An increase of \$63,891 in operating expenses is due to an additional \$50,000 programmed for professional services related to human resources programs and an additional \$13,891 for the Information Technology allocation.

Goals, Objectives, and Measures

Mission: To deliver thought and servant leadership that meets the needs of our employees (current and prospective), Town residents, Town Manager, and the Town Council. To achieve maximum efficiency and success, the HC department is broken into four pillars: Recruitment, Benefits, Governance, and Cultivation.

The following goals and objectives have been identified by the Human Capital Department.

Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Promoting and recruiting the best qualified workforce through strategic, tactical, and community (internal/external) engagement and outreach initiatives.	<ul style="list-style-type: none"> • Implement targeted recruitment efforts • Build strong and lasting relationships to promote the Town as the best place to work. • Engage the community through social media, events, and sponsorships 	<ul style="list-style-type: none"> • Track the ROI of recruiting efforts by identifying # of candidates in attendance, # of candidates interviewed, # of candidates hired, and # of candidates retained • Track # of views to postings to the # of applications to # hires
Develop, execute, and maintain an agile compensation strategy that incorporates a competitive salary and benefits package through continuous market trends analyses of similar local governments.	<ul style="list-style-type: none"> • Develop and maintain a competitive compensation structure • Implement modernized strategies to enrich our employees through professional development, work/life balance, and rewards and recognition programs. 	<ul style="list-style-type: none"> • Begin to track professional development requests, tuition assistance requests, seminars, etc. to be able to identify costs and to determine best practices for each program/allowance. • Conduct survey on cultivation programs to determine best practices for the Town.
Create, establish, and communicate effective and practical policies and procedures that promote equity and integrity while adhering to Town code of conduct as well as regulatory compliance.	<ul style="list-style-type: none"> • Execute and maintain comprehensive compliance program that provides employee education and continuous monitoring. • Ensure the Town is agile in policy reform and policy and procedure accountability 	<ul style="list-style-type: none"> • Conduct survey on cultivation programs to determine best practices for the Town. • Work with legal counsel on best practices to ensure Town is compliant on all factors. Quarterly check-ins with legal.
Empowering employees by providing them with the necessary tools and training to perform their daily duties.	<ul style="list-style-type: none"> • Continuous improvement of retention programs • Encourage training and development opportunities. • Develop, execute, and maintain a robust performance management program • Motivate employees through a supportive rewards and recognition program • Work with Risk Management officer to promote a safe work environment for all employees 	<ul style="list-style-type: none"> • Conduct survey on training and development program desires within the Town. Track acceptance of program through professional development requests, tuition assistance requests, seminars, etc. • Work with Risk Management to track injury reports and determine if new program guidance and/or communication was a factor in program data

Economic Development

Program Description

Established mid-way through Fiscal Year 2015, this department accounts for activities related to the promotion of economic development within the Town of Warrenton, in close partnership with the Department of Economic Development for the County of Fauquier. The department focuses on assisting existing businesses to thrive and expand within the Town, to attract new businesses, to facilitate redevelopment of commercial corridors with new capital investment and job creation in conjunction with the Town's Comprehensive Plan and the goals of the Town Council.

Current Staffing

The Department has been staffed by one full-time Economic Development Manager. The position is currently vacant.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 59	\$ -	\$ 58,165	\$ 161,358	\$ 103,192
Operating	48,197	42,563	55,374	59,715	4,342
Capital	-	165,112	-	-	-
Total	\$ 48,256	\$ 207,675	\$ 113,539	\$ 221,073	\$ 107,534
Staffing Summary					
Full-time	1.00	1.00	1.00	1.00	0.00

Budget Request / Analysis

The budget for FY 2023 for Economic Development is \$221,073, an increase of \$107,534, or 94.7%, compared to FY 2022. The reason for this large increase is because the department was only funded at 50% for FY 2022 as it was anticipated that the program would start mid-year. The intent is to fully fund this program in FY 2023 in hopes that the economy has stabilized.

The \$4,342 increase in operating expenses is due to the Information Technology allocation.

Communications

Program Description

This division was created in FY 2022 and centralized responsibility for such items as Public Information Officer duties, social media, the Town Crier, and other informational and promotional materials for all Town departments.

Current Staffing

The Department is staffed by one full-time Marketing Coordinator who will report to the Economic Development Manager. Since the Economic Development Manager position was vacant in FY 2022, the Marketing Coordinator reported to the Town Manager.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ -	\$ -	\$ 65,414	\$ 69,506	\$ 4,092
Operating	-	-	13,674	23,533	9,859
Capital	-	-	-	-	-
Total	\$ -	\$ -	\$ 79,088	\$ 93,039	\$ 13,951
Staffing Summary					
Full-time equivalents	0.00	0.00	1.00	1.00	1.00

Budget Request / Analysis

The FY 2023 budget for Communications totals \$93,039, an increase of 17.6% over FY 2022. The \$4,092 (6.3%) increase in personnel is due only to the cost-of-living and merit-based salary adjustments and healthcare increases for FY 2022. The \$9,859 increase in operating expenses is caused by the Information Technology allocation.

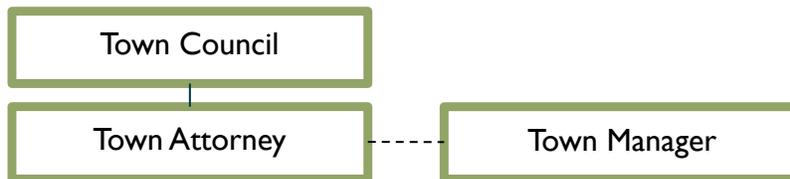
Legal Services

Program Description

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

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

Current Staffing



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

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 21,364	\$ 21,482	\$ 21,788	\$ -	\$ (21,788)
Operating	180,118	150,122	190,497	195,747	5,250
Capital	-	-	-	-	-
Total	\$ 201,482	\$ 171,604	\$ 212,285	\$ 195,747	\$ (16,538)

Budget Request / Analysis

Contractual professional legal fees are split 75% / 25% between the General Fund and the Water and Sewer Operating Fund. The budget request for FY 2023 reflects a decrease of \$16,538 over the FY 2022 budget. This is due to the arrangement the Town had with the previous Town Attorney in which it provided an annual stipend of \$2,400 and health insurance. Due to the new contract, this funding is no longer required.

Finance and Procurement

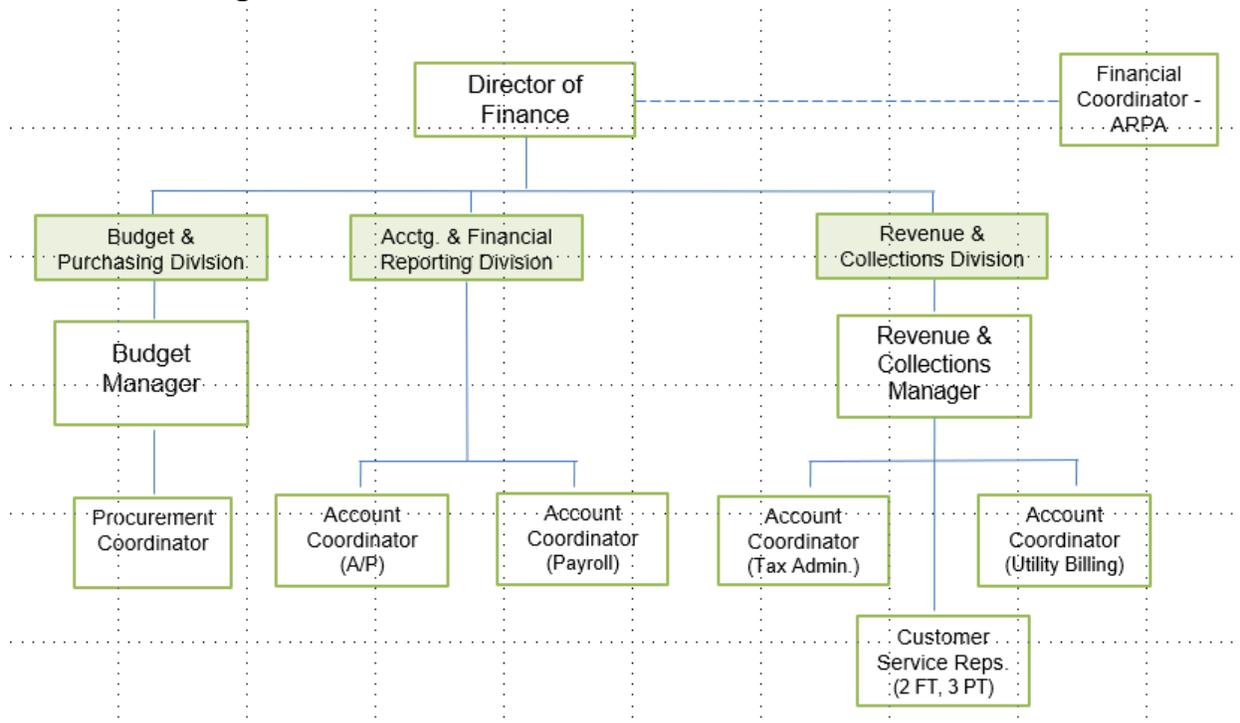
Program Description

The Department of Finance and Procurement provides overall management of the Town’s budgeting, financial reporting, treasury, procurement, taxation and billing operations. The staff also serves as the first point of contact with citizens either personally at Town Hall or through the Town’s main phone line and website staff email.

The Town’s Comprehensive Annual Financial Report (CAFR) has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the last 26 years. The program was established by the Government Finance Officers Association (GFOA) in 1945 to assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare CAFRs that evidence the spirit of transparency and full disclosure. Reports submitted to the program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee (SRC) which includes individuals with expertise in public sector financial reporting.

Financial information is provided to the Town Council on a monthly basis. At a minimum, this includes Financial Statements and a summary of bills paid for the preceding month. More detailed analysis of revenue is provided when needed.

Current Staffing



The Department of Finance and Procurement currently has ten full-time employees and three part-time employees. The staffs' wages are allocated between this department and the Water and Sewer Administration department based on the estimated level of support provided to General Fund departments and Water and Sewer departments. For FY 2023, the allocation to this department is 6.59 FTEs, and the allocation to Water and Sewer Administration is 3.35 FTEs for a total of 9.82 FTEs.

FY 2022 Highlights

- Compiled a set of Comprehensive Financial Policies, adopted by Council in September 2021
- Worked with the Town's financial advisors to refinance all of the Town's outstanding debt to achieve a net present value savings of \$1,669,781.
- Provided guidance to Council on the application of federal stimulus funding
- Assumed responsibility for the capital improvement program and capital asset replacement program

Key Projects for FY 2023

- Implement a comprehensive business tax auditing program
- Continue to reduce delinquent balances by outsourcing
- Continue to document, improve and streamline policies and procedures
- Strengthen internal controls with a focus on staff training
- Improve annual budget preparation process by implementing new software to enable the Town to submit the document to GFOA in the future for the Distinguished Budget Presentation Award
- Ensure compliance for ARPA and other grant spending

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 492,670	\$ 470,843	\$ 537,343	\$ 636,854	\$ 99,511
Operating	177,926	200,475	238,491	366,283	127,792
Capital	270	-	-	500	500
Total	\$ 670,866	\$ 671,317	\$ 775,834	\$ 1,003,637	\$ 227,803
Staffing Summary					
Full-time Equivalents	6.47	6.82	6.32	6.59	0.27

Budget Request / Analysis

The budget of \$1,003,637 for FY 2023 is an increase of \$227,803, or 29.4% over the FY 2022 budget.

The personnel category reflects an increase of \$99,511. One position upgrade is planned in this department. A part-time Customer Service position will be upgraded to full-time. All positions in this department are split between the General Fund and the Water and Sewer Operating Fund since the department provides administrative support to all Town departments and employees. For FY 2023, the allocation to this department is 7 FTEs, and 5 FTEs to Water and Sewer Administration for a total of 12 FTEs.

The FY 2023 operating budget reflects an increase of \$127,792. Some of this increase is due to the Information Technology internal service fund charge, which shows an increase of \$34,732 from FY 2022. A contingency of \$40,000 has been programmed in Finance's budget to cover vacation leave payouts when employees retire. This expense has historically been absorbed by departments' budgets, but some payouts can have a significant impact on a department's salary budget. An additional \$17,000 has been programmed in professional services for outside consulting. Increases have been programmed into many of this department's line items due to inflation and increased costs of services. Other operating expenditures accounted for in this department include the cost of printing and mailing tax bills, business license renewal applications, employee award programs, General Fund costs associated with the external auditor, and General Fund bank service charges. The expense associated with being a member of the Northern Virginia Cigarette Tax Board has been budgeted. The NVCTB provides administration and enforcement of the tax. Each month, the Town receives a distribution of the tax collected, net of NVCTB's administrative expenses. To truly show the cost of administering the tax, the full amount of revenue is recognized and offset by the reporting of the expense here. The result of budgeting for the recognition of this expense produces no net impact to the general fund (revenue offset by expense).

Goals, Objectives, and Measures

Mission: To accurately and efficiently administer the treasury, budgeting, procurement, accounting and financial reporting functions of the town.
 The following goals and objectives have been identified by the Finance Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Improve budgeting process and transparency	<ul style="list-style-type: none"> • Take over the CIP process from the Planning Department 	<ul style="list-style-type: none"> • Produce a streamlined and easy to read CIP document
	<ul style="list-style-type: none"> • Create a budget document that meets the criteria for a GFOA Distinguished Budget Presentation Award. 	<ul style="list-style-type: none"> • Apply for and obtain the award
Excellence in accounting and financial reporting for both internal and external stakeholders.	<ul style="list-style-type: none"> • Continue to receive an unqualified audit opinion and the GFOA Certificate of Achievement for Excellence in Financial Reporting 	<ul style="list-style-type: none"> • FY23 Audit Opinion and certificate
Improve collections	<ul style="list-style-type: none"> • Reduce the number of delinquent accounts 	<ul style="list-style-type: none"> • Comparison of FY23 and FY22 delinquent accounts
Improve and streamline the procurement process.	<ul style="list-style-type: none"> • Implement a P-Card program 	<ul style="list-style-type: none"> • Successful implementation of program

Other Organizations

Program Description

This department contains costs relating to Town-wide memberships and dues in professional organizations providing resources to local governments. Group memberships include the Virginia Municipal League and the Institute of Government at the University of Virginia.

The Town is provided direct technical, lobbying, and legislative assistance through its participation in the Virginia Municipal League. The Virginia Institute of Governments keeps local governments apprised of technological changes and product improvements.

The Town is a member of the Fauquier Chamber of Commerce. The Town frequently partners with the Chamber to obtain feedback from businesses located in Town on certain issues that pertain to the local economy.

Budget Summary

Organization	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Virginia Municipal League	\$ 6,486	\$ 6,494	\$ 6,700	\$ 6,700	\$ -
Virginia Institute of Government	500	-	500	500	-
Fauquier Chamber of Commerce	1,125	1,125	1,025	1,025	-
National League of Cities	-	-	1,117	1,117	-
Total	\$ 8,111	\$ 7,619	\$ 9,342	\$ 9,342	\$ -

Budget Request / Analysis

The total request for Other Organizations in FY 2023 remains the same as FY 2022.

Elections

Program Description

The Code of Virginia requires municipal elections and makes localities responsible for the costs associated with them. This department accounts for all costs incurred to hold Town Council elections. Elections for Town Council seats are held every two years.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 4,586	\$ -	\$ 5,000	\$ 5,000	\$ -
Operating	8,786	-	10,950	10,950	-
Total	\$ 13,372	\$ -	\$ 15,950	\$ 15,950	\$ -

Budget Request / Analysis

Due to a change in state law, all May local elections have been moved to November. Council members whose terms would have expired June 30, 2022, will now serve an additional six months as part of the transition to November elections. Therefore, there were no actual Elections expenses in FY 2022. The same amount of funding has been budgeted for FY 2023.

PUBLIC SAFETY

Function Overview

The Public Safety budget now only includes the Town Police Department. Prior to FY 2023, it also supported the operations of the Warrenton Volunteer Fire Company. That function was transferred to Fauquier County in FY 2022.

Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Police Department	\$ 2,894,846	\$ 3,449,161	\$ 3,603,885	\$ 4,394,484	\$ 790,600
Fire & Rescue	235,557	239,241	269,530	-	(269,530)
Total	\$ 3,130,403	\$ 3,688,402	\$ 3,873,414	\$ 4,394,484	\$ 521,070
<hr/>					
Revenue	415,439	387,155	441,000	417,407	(23,593)
Net Expenditure	\$ 2,714,964	\$ 3,301,247	\$ 3,432,414	\$ 3,977,078	\$ 544,663

Public Safety represents the largest section of the General Fund budget. Expenditures for this function for FY 2023 total \$4,394,484 and represent 23.9% of the total General Fund budget. The total function shows an increase of \$521,070, or 15.9%, greater than the FY 2022 budget.

Revenue that is directly related to this function totals \$417,407, resulting in a net expenditure of \$3,977,078.

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

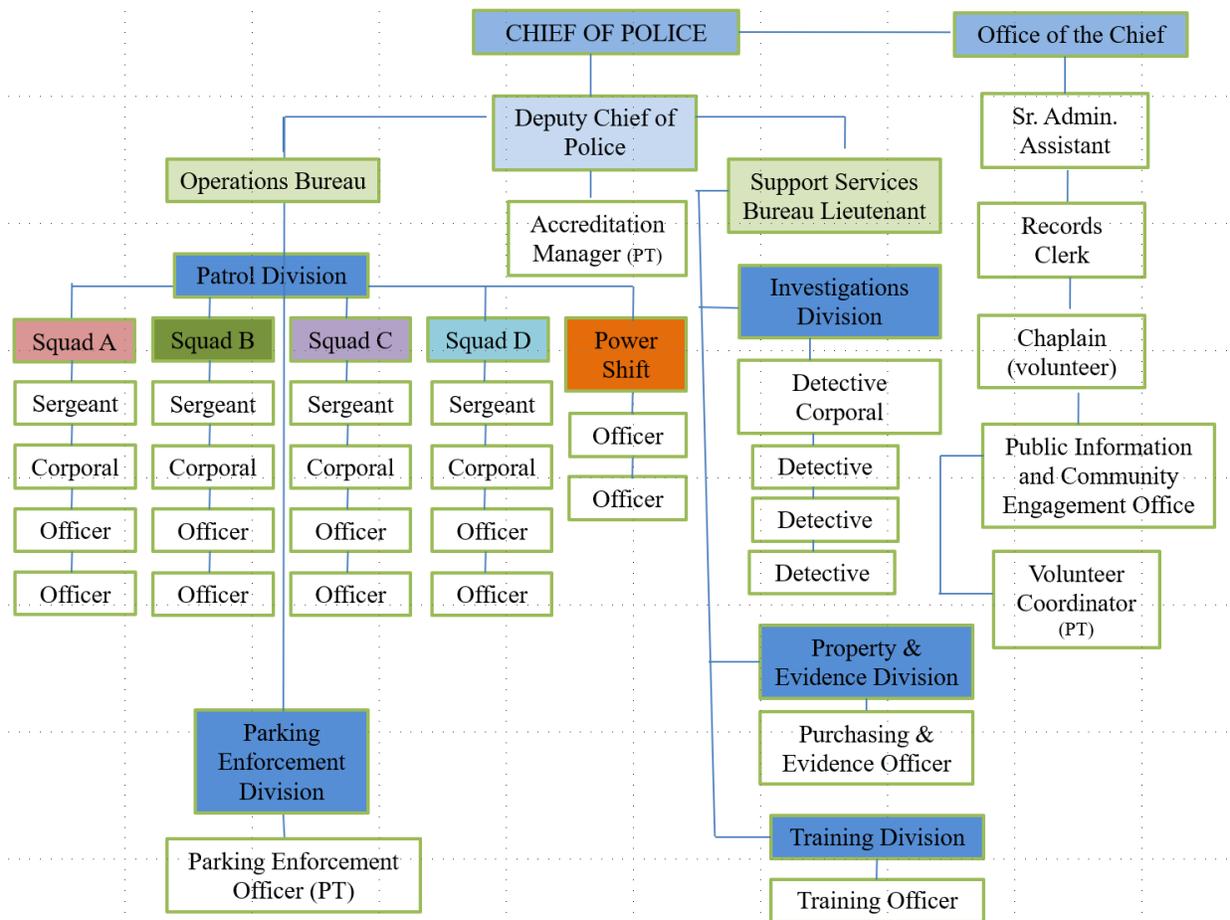
Police Department

Program Description

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

The mission of the Warrenton Police Department is to work in partnership with the residents and businesses of the community to provide a safe and secure environment. With community service as the foundation, the Police Department is driven to enhance the quality of life by providing effective law enforcement services through transparent and impartial policing.

Current Staffing



The Police Department is staffed by the following full-time personnel: Chief, Deputy Chief, two Lieutenants, four Sergeants five Corporals, sixteen Officers, a Senior Administrative Assistant and a Records Clerk. Two part-time staff members provide support in the areas of accreditation and training, and a part-time Parking Enforcement Officer is budgeted in the Police Department as well.

Goals

- To develop strategies to reduce crime and improve the quality of life for those who reside in and visit Warrenton.
- To build community policing strategies that promote meaningful partnerships and opportunities for productive interactions with the community.
- To develop creative ways to attract and retain qualified candidates from across the country who represent the diverse community we serve.
- To identify, develop, and enhance internal programs.
- To develop and identify strategies for a well-trained workforce.

FY 2022 Highlights

- Expanded community engagement programs and involved community members in police policy development;
- Maintained VLEPSC Accreditation and began the process of CALEA Accreditation;
- Developed a Community Police Academy;
- Implemented Guardian Score System for citizens to complete a customer satisfaction survey following interactions with Warrenton Police Officers;
- Enhanced public access to Police Department Information and data to include a citizen complaint line.

Key Projects for FY 2023

- Create a new Sergeant position to serve over the Administrative Service Bureau and supervise Investigations, Training, and Property and Evidence.
- Create an Officer Wellness Strategy;
- Create a succession planning strategy and identify ways to retain employees;
- Create more avenues of communication between the department and the community;
- Develop accountability measures;
- Develop training standards.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 2,238,186	\$ 2,665,047	\$ 2,677,581	\$ 3,172,843	\$ 495,261
Operating	630,863	748,308	925,363	1,220,702	295,338
Capital	25,797	35,806	940	940	-
Total	\$ 2,894,846	\$ 3,449,161	\$ 3,603,885	\$ 4,394,484	\$ 790,600
Staffing Summary					
Full-time equivalents	31.63	31.91	31.91	33.16	1.25

Budget Request / Analysis

The total budget for the Police Department for FY 2023 is \$4,394,484, which is \$790,600, or 21.9% over the FY 2022 budget. There is a \$495,261 increase in personnel expenses which is primarily due to the addition of one full-time Sergeant and an upgrade of the part-time Records Clerk to full-time. Health insurance is up \$86,317, 33%, over FY 2022, due to more officers electing coverage for spouses or families over individual coverage.

The operating category shows an increase of \$295,338 compared to the FY 2022 budget. The bulk of the increase is due to charges from the internal service funds, Information Technology (\$180,944) and Motor Pool (\$42,916). A total increase of \$89,209 is budgeted for police officers' mobile phones, iPads, and cradlepoint routers. There is a \$27,917 decrease in maintenance contracts due to those items moving to the Information Technology department.

Goals, Objectives, and Measures

Mission: The mission of the Warrenton Police Department is to work in partnership with the residents and businesses of our community to provide a safe and secure environment. The following goals and objectives have been identified by the Police Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics	
Develop strategies to reduce crime and improve the quality of life for those who reside in and visit Warrenton.	<ul style="list-style-type: none"> Identify and develop expertise to address current and emerging crime trends to include quality of life concerns. 	<ul style="list-style-type: none"> Identify crime mapping Identify key times for calls 	
		<ul style="list-style-type: none"> Use hot spot policing Reduce traffic crashes by 10% Reduce part 1 crime by 20% 	
		<ul style="list-style-type: none"> Create traffic safety program Keep investigations staffed Create a K-9 unit 	
		<ul style="list-style-type: none"> Create and update assignments in order to stay current with policing in the 	
	Build community policing strategies that promote meaningful partnerships and opportunities for productive interactions with the community.	<ul style="list-style-type: none"> Create avenues of communication between the police department and the community. 	<ul style="list-style-type: none"> Create business coalition Conduct town hall meetings in each of the towns 5 wards. Assign an officer to each ward Include local business owner in Community Action Team
			<ul style="list-style-type: none"> Develop opportunities for community engagement. Include the Volunteer Program in Community Events Create youth academy
<ul style="list-style-type: none"> Develop a recruiting process 			
Develop creative ways to attract and retain qualified candidates from across the country who represent the diverse community we serve.	<ul style="list-style-type: none"> Identify ways to retain employees 	<ul style="list-style-type: none"> Write recruiting general order Develop recruiting team and vehicle Create annual caps Develop regular morale and welfare events for employees. 	
	<ul style="list-style-type: none"> Create internal opportunities for growth and oversight 	<ul style="list-style-type: none"> Increase sworn staffing Create a Sergeants Position in Administrative Support Bureau. 	
	<ul style="list-style-type: none"> Develop accountability measures 	<ul style="list-style-type: none"> Obtain CALEA Accreditation. Conduct line inspections 	
Identify, develop, and enhance internal programs.	<ul style="list-style-type: none"> Create succession planning strategy 	<ul style="list-style-type: none"> Create a mentorship program Develop a detective in electronic evidence 	
	<ul style="list-style-type: none"> Create an officer wellness strategy 	<ul style="list-style-type: none"> Build upon peer support group Create a fitness standard Enforce employees leave caps 	
	<ul style="list-style-type: none"> Develop training standards 	<ul style="list-style-type: none"> Develop leadership plans Develop training tracs Develop field training Standards for sergeants 	
Develop and identify strategies for a well-trained work/ orce.	<ul style="list-style-type: none"> Identify key training 	<ul style="list-style-type: none"> Identify additional instructors 	

Fire Department

Program Description

The Town of Warrenton reached an agreement with Fauquier County in FY 2022 to transfer support to the Warrenton Volunteer Fire Company (WVFC) to the County. Therefore, the FY 2023 budget no longer includes operating funding for the Fire Department.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 182,749	\$ 191,645	\$ 201,807	\$ -	\$ (201,807)
Operating	42,812	47,597	46,239	-	(46,239)
Capital	9,996	-	21,483	-	(21,483)
Total	\$ 235,557	\$ 239,241	\$ 269,530	\$ -	\$ (269,530)
Staffing Summary					
Full-time	2.00	2.00	2.00	0.00	-2.00

Budget Request / Analysis

The transfer of this function to the County not only saves the Town of Warrenton \$269,530 in operating costs, but it also decreases overall Town headcount by two.

PUBLIC WORKS and UTILITIES

Function Overview

The Public Works and Utilities Department is responsible for all Town functions involving maintenance of roadways and all appurtenances thereof, maintenance of Town Facilities and resources; maintenance and purchasing of vehicles; supplying quality drinking water; treating and processing waste water; enforcing and overseeing construction projects in right of ways and Town properties; managing stormwater and MS4 programs; and working with all other Town Departments to insure efficient and effective delivery of Town services. The Department is separated into two distinct Departments for proper oversight and management- Public Works and Utilities. Each Department has a Superintendent who oversees the related Divisions.

Public Works

The Public Works Department is responsible for maintaining 93.47 lane miles of roadway and right of way, a significant number of public sidewalks, an 18-acre public cemetery, ten (10) traffic signals, 15.5 miles of storm sewers, maintenance of the Town's vehicle and equipment fleets, all parks properties and various public buildings. The department provides curbside refuse collection twice-weekly to households and businesses, provides curbside recycling collection once a week for newsprint, cardboard, plastics and metals and also provides brush and leaf collection on a periodic and as needed basis for the Town's citizens and businesses. The department provides fall and spring cleanups, which allow citizens to clean up and clean out their properties with staff collecting and transporting to the landfill. In addition, the recycling program continues to accept office paper at the Public Works facility. Seven of the nine Public Works divisions are funded through the Town's General Fund. The arterial and collector budgets with a portion of the street budget are funded through annual road maintenance payments from the Virginia Department of Transportation (VDOT), which are estimated to total approximately \$1,450,000 in FY 2023.

The budget for FY 2023 for the Public Works function totals \$4,699,125 which represent no significant changes.

A significant portion of the motor pool costs continue to be distributed to the Public Works budget which operates over 60 percent of all Town vehicles and equipment. Staff continues when possible to take advantage of alternative funding sources such as VDOT Revenue Sharing, Primary Road, and SMARTSCALE along with any Stormwater programs.

Funding for the numerous budgets within the Public Works Department have enabled the Town to maintain the public street surfaces at a level of quality at /above VDOT standards, as noted by compliments from the VDOT Resident Office. The paving schedule is moderate, based on the current roadway conditions and is adequate to maintain the streets to the high standards expected by the citizens and motoring public.

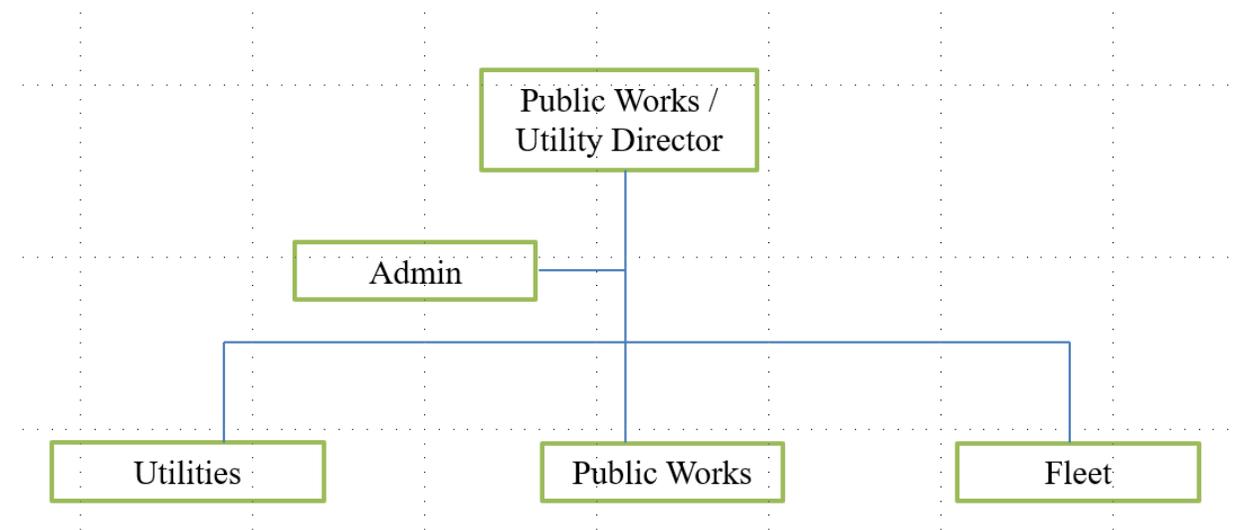
The department does its best to ensure Warrenton’s citizens receive the highest level of service possible within the budgetary limits set by the Council.

Public Works has absorbed the responsibilities of the stormwater management and MS4 programs with cost-share of positions, capital project development and street maintenance functions (sweeping and basin cleaning) that provide nutrient reduction credits. The program is entering the third year of its second 5-year permit cycle with DEQ, which requires measurable reductions in nutrient contaminants identified in the Chesapeake Bay Program and to address issues raised during the FY18 audit.

Utilities

Utilities is discussed in the Utilities section of the Budget document.

Organizational Structure



Department of Public Works

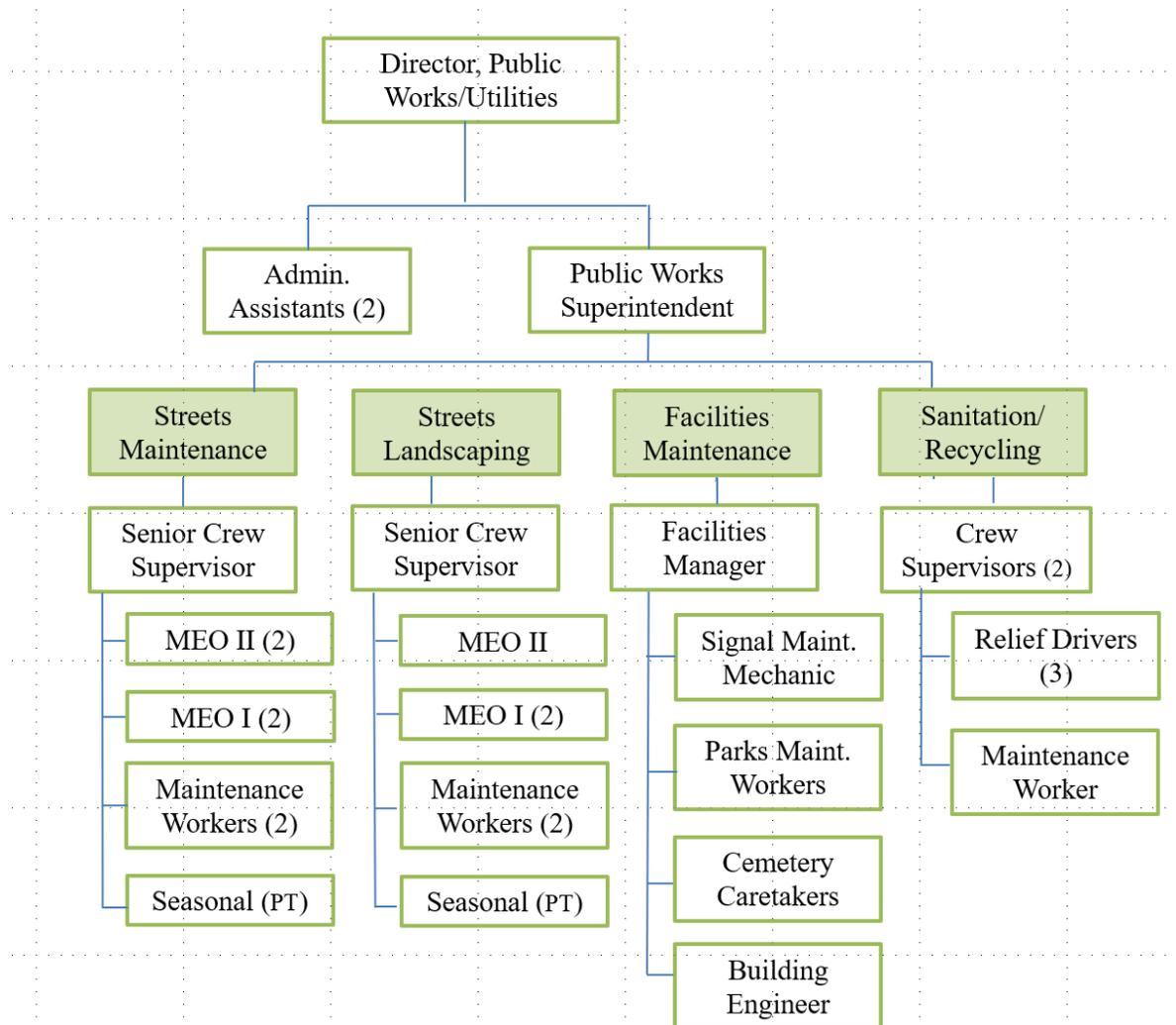
Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Administration	\$ 665,179	\$ 453,456	\$ 519,709	\$ 696,126	\$ 176,416
Streets	1,550,494	1,373,317	2,153,572	2,292,683	139,111
Sanitation	627,852	595,381	619,397	711,537	92,140
Facilities	397,495	293,526	765,676	998,780	233,104
Parking	42,446	-	-	-	-
Cemetery	118,599	108,668	-	-	-
Stormwater Management	3,000	224,913	-	-	-
Total	\$ 3,405,065	\$ 3,049,261	\$ 4,058,354	\$ 4,699,125	\$ 640,771
Revenue	1,443,028	1,455,512	1,450,000	1,450,000	-
Net Expenditure	\$ 1,962,037	\$ 1,593,750	\$ 2,608,354	\$ 3,249,125	\$ 640,771

The total budget for the Department of Public Works is \$4,699,125, an increase of \$640,771, or 15.8%. Revenue that is directly related to this function totals \$1,450,000, resulting in a net expenditure of \$3,249,125.

Further detail regarding each department is provided in the summaries that follow.

Organizational Structure



The Department of Public Works has five divisions: Administration, Streets Maintenance, Facilities Maintenance, and Sanitation/ Recycling. These divisions will be discussed in more detail on the following pages.

Goals, Objectives, and Measures

Mission: To deliver exceptional government service; To uphold standards established to protect the Public Health, Safety, and Welfare of all residents, business owners, and visitors; To provide an environment where people enjoy living, working, playing, and investing, while providing responsible management of public resources to meet the challenges of today and tomorrow. The following goals and objectives have been identified by the Parks and Recreation Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Employee Recruitment and Retention	<ul style="list-style-type: none"> Establish outreach for recruitment 	<ul style="list-style-type: none"> Leverage social media Work with high schools and Create an internship program
	<ul style="list-style-type: none"> Continue to refine job descriptions and work towards a compensation study 	<ul style="list-style-type: none"> Define opportunities within work classifications Upgrade pay scales Create internal opportunities for advancement
Continuous Improvement	<ul style="list-style-type: none"> Establish efficiencies in operations 	<ul style="list-style-type: none"> Establish clear lines of responsibility and reporting Refine and develop equity in organizational structure Empower staff at all levels
	<ul style="list-style-type: none"> Implement daily budgeting review with proper oversight 	<ul style="list-style-type: none"> Ensure supervisory staff understand budgeting Identify best cost practices
Leverage Technology	<ul style="list-style-type: none"> Provide sufficient and proper tools to staff 	<ul style="list-style-type: none"> Mobile and desktops Use HC forms and processes Properly equip training room
	<ul style="list-style-type: none"> Training 	<ul style="list-style-type: none"> Work with IT on training for Train supervisors on software Develop processes for paperless functions
	<ul style="list-style-type: none"> GIS 	<ul style="list-style-type: none"> Increase usage of GIS Mapping and route
Fiscal responsibility	<ul style="list-style-type: none"> Develop assessment process for costs and expenditures 	<ul style="list-style-type: none"> Develop weekly review with monthly oversight of budgets Develop purchase best
	<ul style="list-style-type: none"> Ensure equipment is best for the job 	<ul style="list-style-type: none"> Engage all users in vetting Source multi-use equipment Identify outsourcing as
	<ul style="list-style-type: none"> Align finances with tasks 	<ul style="list-style-type: none"> Create divisional
Establish a Road repaving/ maintenance schedule	<ul style="list-style-type: none"> Prioritize maintenance schedules 	<ul style="list-style-type: none"> Identify 5 year plan to repave and maintain roads
Assist stormwater with facility improvements	<ul style="list-style-type: none"> Work with Stormwater team to identify projects 	<ul style="list-style-type: none"> Create a list of projects Identify credits
	<ul style="list-style-type: none"> Identify and track sediments 	<ul style="list-style-type: none"> Report to MS4 inspector

Public Works Administration

Program Description

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

The budget supports all costs associated with day-to-day operation and management of the Public Works Department and its varied functions. Expenses within the budget support a wide range of public works functions such as daily citizen contacts, project development and oversight, personnel and financial administration and departmental planning that are needed to maintain the current high level of service for FY 2022.

Traffic related issues remain a priority and staff will continue to pursue additional VDOT and other grant programs (Revenue Sharing, Primary Road and SMARTSCALE) to supplement funding for future budgets, while remaining flexible with the timing as target dates continue to move out.

Public Works coordinates with Community Development (CD) in the permitting of development projects under the Virginia Stormwater Management Permit (VSMP) program and has incorporated the implementation of the Municipal Separate Storm Sewer System (MS4) permit under the Virginia Department of Environmental Quality (DEQ). Key assistance is in the development of projects to meet the permit reduction goals in the Total Maximum Daily Limit (TMDL) Action Plan developed in 2018. This year we added the Emergency Services and Risk Manager and created a Facilities Maintenance Division to our Department.

Current Staffing

The Administration Division is staffed by a Director, an engineer, the Public Works Superintendent, and two Administrative Assistants. The Director also serves as Director of Public Utilities; 50% of the position salary is allocated to the PW department and the other 50% is allocated to the Public Utilities budget. The Engineer/ Project Lead is allocated 20% to the Public Works Administration budget, 50% to the Public Utilities Budget, and the remaining 30% to the Stormwater Management Fund. In addition, one of the Administrative Assistants is allocated 75% to the Public Works Administration budget, and 25% to the Public Utilities budget.

Goals

- Develop an atmosphere for staff to participate in cross training, advancing their skills and certifications, and promoting employee retention.

- Develop a system to promote employee advancement.
- Begin to leverage technology to advance efficiencies in operations and reporting.
- Ensure equity for all staff at all levels regarding advancement and opportunities to improve their skills, education, and talents.
- Provide quality services and infrastructure maintenance to the high expectations of Town citizens.
- Begin the process of attaining Accreditation from the American Public Works Association (APWA).
- Pursue VDOT and other grant programs (Revenue Sharing SMARTSCALE, HSIP and Primary Roads) to supplement funding.
- Timely review of site plans.
- Total Maximum Daily Limit (TMDL) Action Plan progress towards meeting the 2023 nutrient removal goals in the DEQ permit.
- Completion of FY21 capital improvement projects by mid-year FY23.
- Minimum budget carryovers at year end.

FY 2022 Highlights

- Continued to work on reorganization while focusing on and establishing strategic priorities;
- RollOutWarrenton! parklets; Special Events;
- Implemented walkability audit in all projects;
- Laid the foundation for a facilities division;
- Refined park maintenance programs to include enhancements;
- Began transitioning to a semi- automated refuse collection service;
- Refined brush pick up;

Key Projects for FY 2023

- Feasibility study for new Town Shop facility
- TMDL Action Plan and MS4 compliance, nutrient targets of 40% reduction.
- Broadview Avenue Project support, review design for quality-of-life enhancements.
- Town Shop Master Planning.
- Pedestrian access and walkability throughout the community, by implementing the Walkability timeline presented to Council.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 552,512	\$ 370,628	\$ 422,885	\$ 522,367	\$ 99,482
Operating	111,261	82,828	95,324	172,258	76,934
Capital	1,406	-	1,500	1,500	-
Total	\$ 665,179	\$ 453,456	\$ 519,709	\$ 696,126	\$ 176,416
Staffing Summary					
Full-time equivalents	5.30	4.60	4.60	5.10	0.50

Budget Request / Analysis

The FY 2023 budget for the Public Works Administration Division of \$696,126 reflects an increase of \$176,416, an increase of 33.9%

The personnel category reflects an increase of \$99,482, or 13.6% over FY 2022. The main driver of this increase is due to addition of a Deputy Director and a Junior Engineer for Public Works and Utilities. The Deputy Director is allocated 30% to Public Works Administration, 50% to Water and Sewer, and 20% to Stormwater Management. The Junior Engineer is allocated 20% to Public Works Administration, 50% to Water and Sewer, and 30% to Stormwater Management. These positions also increase healthcare costs as well. All other personnel expenses remain unchanged. In the operating category, the \$76,934 increase is due primarily to the Information Technology allocation to departments.

Street Maintenance

Program Description

The Street Division is responsible for all maintenance and repair activities associated with the 93.47 lane miles of public roads and 15.5 miles of storm sewer within the corporate limits (no change this past year). This section of the Public Works budget appropriates funds used for snow removal, street cleaning, litter control, routine maintenance, repair work, small construction projects and grass cutting functions along the Town's public roadways and rights of way. The Virginia Department of Transportation provides reimbursement, which is accounted for in the categorical aid revenue section of this report, for the maintenance of both Arterial and Collector streets.

Current Staffing

The Street Maintenance has been divided into two Divisions, Streets and Landscaping. This was done to provide more effective response and better alignment with the organizational chart. Each Division is staffed with maintenance crews who are responsible with insuring that the appearance of the Town's streets are maintained to the level expected by the Town's citizens. Personnel funds in this budget are supplemented by the Arterial and Collector budgets when work is specifically performed to those classifications of roadways. As the seasons and workloads require, the department uses seasonal part-time employees to supplement staff with summer weed-eating, fall leaf collection and miscellaneous work around Town.

Goals

- Maintain the Streets, roadways, and sidewalks of the town in a condition that provides motorists with a smooth riding, properly marked, and signed, safe and comfortable pavement.
- Implement and incorporate elements of the Walkability Study into Town wide improvements with a focus on the Walkability timeline.
- Develop an effective street maintenance plan outlining priorities and conditions of streets.
- During inclement weather, keep all traffic corridors open for emergency vehicles and those motorists who must be on the road.
- Continue street beautification programs such as "Tree City USA", "Adopt a Stream", "Adopt A Street", and Green Streets to maintain the high visual appearance of the community for the citizens and those traveling through the community.
- Receive a superior rating from VDOT during the annual inventory and inspection for maintenance payment and provide accurate accounting for the Weldon Cooper Survey to verify stewardship of annual funding.
- Take advantage of VDOT programs for additional funding, particularly Revenue Sharing, SMARTSCALE and Primary Road Repair/State of Good Repair as opportunities arise.

- Quantify street sweeping effectiveness and storm drain cleaning for MS4 nutrient reduction credit.

FY 2022 Highlights

- Implemented Walkability into all projects;
- RollOutWarrenton;
- Parks improvements to include heaters in restrooms, relocation of the mushrooms, additional dog stations,
- Repaved Railroad Street and added sidewalk to Lee Highway
- Added sidewalk and crosswalk to Walker Dr at Academy Hill;
- Installed bike racks in Old Town;
- Maintained all road ways;
- Snow and ice response;
- Assisted all other divisions as necessary

Key Projects for FY 2023

- Repaving of roads on list;
- Implement CIP projects as identified and prioritized

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 633,833	\$ 625,843	\$ 712,271	\$ 809,283	\$ 97,012
Operating	327,224	154,834	324,998	296,043	(28,955)
Capital	12,594	10,296	12,000	15,000	3,000
Total	\$ 973,651	\$ 790,972	\$ 1,049,269	\$ 1,120,326	\$ 71,057
Staffing Summary					
Full-time equivalents	15.66	16.66	16.66	16.66	0.00

Budget Request / Analysis

The FY 2023 Streets budget of \$1,120,326 reflects an increase of \$71,057, or 6.8%, compared to the FY 2022 budget.

The personnel category increased by \$97,012, or 13.6%. Because of rising wages in the area, Public Works has had difficulty filling a number of vacancies in FY 2022. In order to compete in this market, wages for Maintenance Workers were increased. This increase, in addition to the cost-of-living adjustments and healthcare increases, are the drivers for the increase in personnel expenses.

The operating budget reflects a decrease of \$28,955 due to reductions in vehicle maintenance costs for the section with the current vehicle replacement and fleet management plan. Motor pool estimates are allocated to departments based on their

prior year usage. The streets section has the largest number of vehicles that are the most heavily used of any town department. In this budget, the department continues to rely heavily on part-time and seasonal employees (gardener, mowing/weed-eating and general maintenance workers) to supplement full-time staff.

The Street, Arterial and Collector budgets are offset by the annual VDOT maintenance payments.

Arterial Street Maintenance

Program Description

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

Current Staffing

Staffing for this division is accounted for in the Street Maintenance, both Divisions immediately preceding this section. Street personnel costs are charged to this department when work related to arterial streets is performed.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 112,190	\$ 124,516	\$ 147,481	\$ 155,554	\$ 8,073
Operating	100,273	129,706	176,300	187,300	11,000
Capital	68,926	36,868	87,500	97,500	10,000
Total	\$ 281,389	\$ 291,090	\$ 411,281	\$ 440,354	\$ 29,073

Budget Request / Analysis

The personnel charges for Arterial and Collector Street budgets are allocated from the main Street Maintenance division budget. There is an increase of \$29,073, or 7%, in the amount allocated in FY23 for arterial streets.

An increase of 6% has been budgeted for part-time wages. Because Dominion Power rates have increased by 20%, and additional \$7,000 has been programmed for electricity. An additional \$4,000 is budgeted in lease of equipment for additional snow removal equipment as well as other emergency equipment. On the capital side, an additional \$10,000 has also been budgeted for sidewalk, curb, and gutter work to address failing sections and updating ADA issues.

Collector Street Maintenance

Program Description

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

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

Current Staffing

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

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 89,435	\$ 98,142	\$ 122,722	\$ 129,503	\$ 6,781
Operating	132,181	156,203	187,300	209,500	22,200
Capital	73,838	36,909	383,000	393,000	10,000
Total	\$ 295,454	\$ 291,255	\$ 693,022	\$ 732,003	\$ 38,981

Budget Request / Analysis

The FY 2023 Collector Street Division budget is an increase of \$38,981 over the current year's budget. The personnel charges for Arterial and Collector Street budgets are allocated from the main Street Maintenance division budget. A small increase of \$6,781, or 5%, increase has been programmed in the personnel allocation to the Collector Division for FY 2023.

In operating expenses, an additional \$17,200 in electric current has been programmed due to a twenty percent increase in Dominion Power rates. An additional \$5,000 has been programmed for materials and supplies. An additional \$10,000 has been added to sidewalk, curb, and gutter expenses to address failing sections and updating ADA issues.

The street milling and paving schedule is same as last budget. Paving schedules are tentative and reevaluated at the end of the winter season to verify those in most need of repaving.

The department will continue to investigate interim methods (crack sealing and pavement restoration technologies) to extend pavement life, with a continued focus on subdivisions built in the 2003-to-2008-time frame and earlier, which are subject to more transverse cracking.

Sanitation

Program Description

The Sanitation Function accounts for the expenditures related to refuse collection and the Town's recycling program.

The Refuse Collection budget covers all costs of collection and disposal of solid waste by Town crews. This includes twice a week refuse collection and disposal of junk and materials during the Town's twice annual community cleanups. Refuse collection is provided to all homes in the community and to a portion of the qualifying businesses in the Town without additional fees or charges being assessed. Service is provided to businesses whose trash can be accommodated by bags or containers, which can be manually handled by the crews.

The Recycling Division accounts for all costs associated with the coordination and management of the recycling collection program for the Town of Warrenton. The collection activity of co-mingled household and business glass, metal, and plastics has been a program with the Town for over 27 years. Newspapers and corrugated cardboard are collected one day a week by the Town's refuse crews with leaf and brush collection performed by other Public Works crews on a daily basis.

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

Current Staffing

The Sanitation duties of refuse and recycling collection are handled by six full-time employees. Their time handling those two divisions is allocated 80% to Refuse Collection and 20% to the Recycling Program.

Goals

- Provide quality service to town residents with minimal complaints.
- Better align services with our existing Town Code.
- Provide service except in the case of extreme weather.
- Improve communications to citizens of service schedule changes.
- Work closely with Fauquier County landfill to coordinate efforts during inclement weather.
- Collection of all refuse during the scheduled day of collection.
- Work with Fauquier County to expand the products collected at the County recycling center.
- Collection of recycling materials in a timely manner on Wednesdays.
- Recycle materials collected during the fall and spring cleanup periods.

- Recycle any viable materials from motor pool and maintenance operations.

FY 2022 Highlights

- Developed outreach and implement programs to better align services with our existing Town Code.
- Refined operations for efficiency and effectiveness with better use of technology.
- Instituted satellite newspaper collection bins in the town to replace curbside collection.

Key Projects for FY 2023

- Upgrade to semi-automated system of collection.
- Continue to work with Town Council and residents to address ways to collect glass and horticultural refuse.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 440,203	\$ 454,315	\$ 450,586	\$ 506,199	\$ 55,614
Operating	187,649	141,067	168,811	205,337	36,526
Capital	-	-	-	-	-
Total	\$ 627,852	\$ 595,381	\$ 619,397	\$ 711,537	\$ 92,140
Staffing Summary					
Full-time	6.00	6.00	6.00	6.00	0.00

Budget Request / Analysis

The FY 2023 budget of \$711,537 is an increase of \$92,140, or 12.3%, compared to the FY 2022 budget.

The personnel category reflects an increase of \$55,614, which is primarily due to cost-of-living and merit-based salary increases and increased healthcare costs. In addition, wages for several motor equipment operators were increased in FY 2022 in order to remain competitive in the job market.

The budget does not include tipping fees to the Fauquier County Landfill for household trash; the budget includes \$20,000 (an increase of \$5,000) for Landfill Operations to cover other fees not associated with household refuse, which have been increasing due to the FC Landfill operating as a transfer station. The increase of \$36,526 in operating expenses over the current year is due to increased Motor Pool costs as two of the refuse trucks reach end of life. Estimates of motor pool charges are allocated to departments based on the most recently completed fiscal year. The refuse and recycling vehicles are used extensively every day with 250-300 stops and starts over their routes. This translates into above average maintenance costs per vehicle. Two of

the refuse trucks are scheduled to be replaced in FY 2023. Information Technology expenses in the Sanitation division have increased as well.

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

Overall costs have remained level due to the continued use of the County recycling center at the Fauquier County Landfill, at no cost for handling the material. The County is constantly looking for ways to expand their facilities to accommodate a wider range of recyclable products. Staff continues to work with County staff to keep informed as to new program developments and to be able to adjust the Town program accordingly.

Facilities Maintenance

Program Description

This division was formed in FY 2022 to be dedicated to the maintenance and preservation of all Town-owned properties and appurtenances. It is responsible for the maintenance, repair and custodial functions for Town owned or occupied buildings and grounds. The buildings included are Town Hall, the Public Works Facility, Public Safety Facility, Old Town Hall, the Experience Old Town Warrenton (EOTW)/Warrenton Meeting Place building on 3rd Street, the Visitor Center and the Cemetery building with restroom. The grounds include parking lots, public green space, parks grounds and restrooms, and the gateway signage to Warrenton. This budget does not include the Warrenton Aquatic and Recreation Facility building, which is covered in the Parks and Recreation departmental budget, or the two rental houses, which are included in the Water and Sewer Operating Fund budget.

Cemetery Maintenance has been placed under the Facilities Maintenance Division. This does not affect any cemetery operations or staffing. This was an organizational move.

Current Staffing

The Facilities Maintenance Division is staffed by one Building Engineer, a Traffic Signals/ Signs Maintenance Mechanic, two maintenance workers, two Cemetery staff, and supplemented with street or seasonal help when needed.

Goals

- Develop a proactive maintenance program for all Town owned properties and structures.
- Maintain and repair town facilities to a level in which there are zero accidents to personnel or the general public.
- Maintain town properties and grounds to a level that the citizens are proud of their community.
- Improve the appearance of parking lots (markings signage, landscaping and tree cover), park grounds, walkways and trails, and all public spaces.

FY 2022 Highlights

- Began the development of a proactive maintenance program for all Town properties and structures.
- Identified and prepared projects for repair and enhancements for all Town properties.
- As part of the facilities maintenance plan, identified specific facilities improvements to be included in the Capital Improvement Plan.

Key Projects for FY 2023

- Continue implementation of the Facilities & Fleet Division Merger with the addition of industrial staff from our Utility Plants.
- Address environmental concerns for Facilities by developing policies and procedures pertaining to environmental and sustainable initiatives
- Continue to develop a Facilities Strategic and Master plan to guide the division in its daily work
- Continue to implement the capital asset replacement plan with improved efficiencies in mind

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 76,912	\$ 75,201	\$ 454,216	\$ 482,006	\$ 27,790
Operating	320,583	218,138	310,460	511,274	200,814
Capital	-	187	1,000	5,500	4,500
Total	\$ 397,495	\$ 293,526	\$ 765,676	\$ 998,780	\$ 233,104
Staffing Summary					
Full-time	1.00	1.00	7.00	6.73	-0.27

Budget Request / Analysis

The Facilities Maintenance budget shows an overall increase of \$233,104, or 30.4%, over the FY 2022 budget. On the personnel side, there is an increase of \$27,790, or 6%, from FY 2022. This increase is lower than the personnel increase in other divisions and departments. This is due to the elimination of the Facilities Manager position and the creation of the Manager of Fleet and Facilities position, which is allocated 35% to the Facilities Maintenance division, 45% to Motor Pool, and 20% to the Water and Sewer fund.

The operating budget shows an increase of \$200,814, or 64.7%, over FY 2022. This large increase is due to aging facilities and deferred maintenance. An increase of \$40,500 has been added to repairs, building and grounds, \$31,600 has been added to cover the expenses of maintenance agreements for alarms, building systems, and HVAC systems that have never been issued, and \$27,000 has been added to contractual repairs due to maintenance that must be addressed. An increase of \$34,400 was added to repairs of parking lots for pavement repairs, striping, patching, and sealcoating. Many parking lots need work before they are too out of spec to crack seal and coat. Electric and fuel prices have increased 20%, so those items show an increase of \$11,300. Janitorial services have increased \$15,000 over the current year, and \$17,000 has been added for professional services for items that may need to be addressed in FY 2023. Finally, \$7,500 was added to professional services for a space study for the Police department. On the capital side, \$4,500 was added for additional landscaping and tree maintenance for the Cemetery.

PARKS AND RECREATION

Function Overview

The Town operates Academy Hill Park, Eva Walker Park, Sam Tarr Park, Rady Park, the Skateboard Park, the Fun for All Playground, and the Dog Park in addition to the Warrenton Aquatic and Recreation Facility. In addition, the department manages several large events and competitions throughout the year.

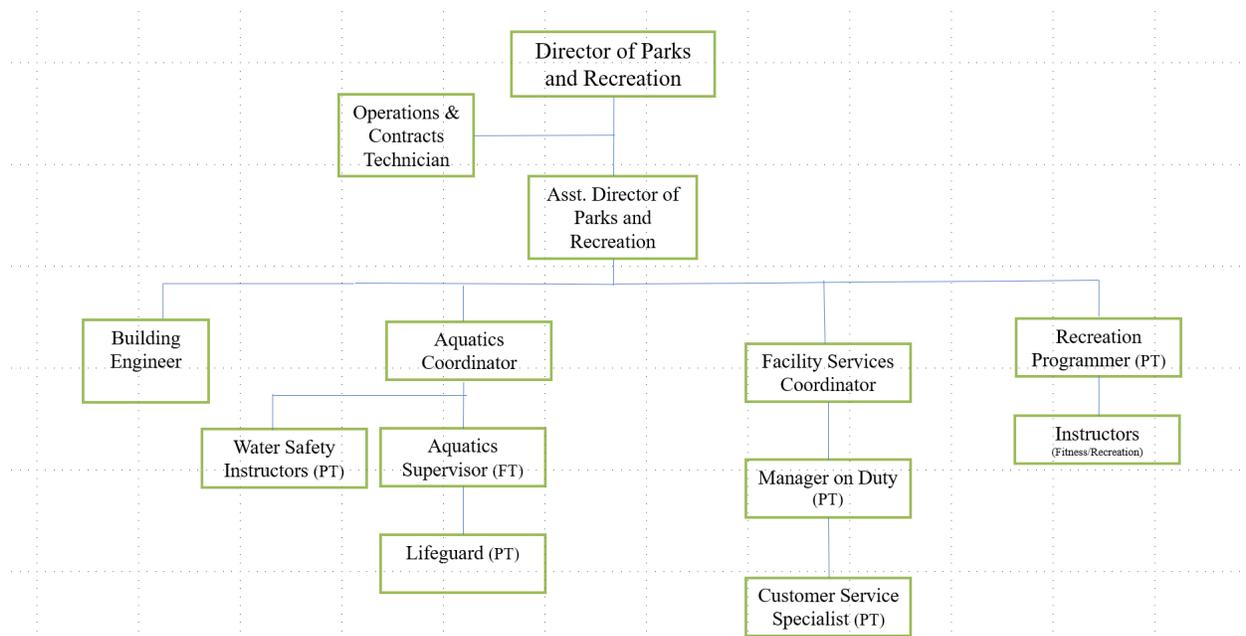
Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Aquatic Center	\$ 1,237,018	\$ 1,131,100	\$ 1,499,712	\$ 1,659,940	\$ 160,229
Parks	200,839	226,361	263,078	362,286	99,208
Administration	325,289	543,108	440,702	645,429	204,726
Total Parks and	\$ 1,763,146	\$ 1,900,569	\$ 2,203,492	\$ 2,667,655	\$ 464,163
Revenue	\$ 871,185	\$ 468,599	\$ 695,154	\$ 760,877	\$ 65,723
Net Expenditure	\$ 891,961	\$ 1,431,970	\$ 1,508,338	\$ 1,906,778	\$ 398,439

The Parks and Recreation function accounts for 14.5% of the total General Fund budget. Revenue directly related to this function is estimated to total \$760,877, bringing net expenditure to \$1,906,778.

Detailed descriptions of the budgets for each of the departments listed above is provided in the following pages.

Current Staffing



FY 2022 Highlights

- The department partnered with George Mason University to conduct the department's first Needs Assessment in July 2021.
- In October 2021, the Parks and Recreation and Police Departments partnered to host Flashlight Candy Hunts at Rady Park with 75 participants and Academy Hill Park with 60 participants. In addition to hunting for candy in the dark, participants also made pumpkin crafts, took their pictures with the police, and played spooky games. The Halloween Parade returned with approximately 200 participants. Councilman Carlos led the parade down Main Street and ended at the Farmers Market, where a costume contest was held with Mayor Nevill, Councilwoman Sutphin, and Councilman Carlos as judges. Additionally, the Parks and Recreation Department sponsored the return of Trunk or Treat in the WARF parking lot with over 25 decorated trunks and an incredible turnout from the community. The department sponsored a Trunk or Treat Event and Halloween Parade. Previous iterations of the event were sponsored by outside organizations.
- The spring will bring our inaugural Glow in the Dark Easter Hunt.
- Timber Fence Trail was completed and opened in December of 2021.
- The department collaborated with the PW Dept to rehabilitate the baseball field at Rady Park.
- Resurfacing of the leisure pool.
- Completion of the Eva Walker Commemorative Garden.

Key Projects for FY 2023

- Resurfacing of the competition pool will take place in August 2022.
- Finalize details with the Human Capital Manager regarding employee wellness initiatives.
- Finalize review of departmental EAP and conduct in-service training.
- Review and update department mission/vision/goals/objectives.

Goals, Objectives, and Measures

Mission: The mission of the Town of Warrenton Parks and Recreation Department is to provide leisure and wellness services that will continue to result in personal accomplishment, self-satisfaction, and community and family unity for all citizens. The Department serves all citizens in an equitable fashion regardless of background, ability level, or age. Our mission is to provide programs, facilities, and services that will enhance the quality of life in our community and further perpetuate The Town of Warrenton as an exceptional place to live, work, and play.

The following goals and objectives have been identified by the Parks and Recreation Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Increase the number of programming amenities offered by the department	<ul style="list-style-type: none"> Increase program participants by a minimum of 2% annually. 	<ul style="list-style-type: none"> Total number of participants enrolled in Recreation Programs Annual percent increase in participants Number of volunteer hours served Number of programs held Number of programs meeting 90% utilization Satisfaction rate of
Enhance department marketing efforts	<ul style="list-style-type: none"> Increase public engagement by 5% annually 	<ul style="list-style-type: none"> Number of social media Number of news and announcement subscribers Percent growth in followers and subscribers
Establish a viable cost recovery methodology	<ul style="list-style-type: none"> Provide a wide variety of safe and healthy recreational opportunities at the WARF to achieve target expenditure recovery. 	<ul style="list-style-type: none"> Number of hours for facility rental reservations Percentage of expenses recovered through revenue at the WARF Total number of annual memberships purchased Renewal rate of annual memberships Total number of daily visits to the Recreation Centers
Increase Park Use	<ul style="list-style-type: none"> Increase Park visits by 1% annually by properly maintaining facilities and providing diverse recreational opportunities while developing innovative methods to maintain 	<ul style="list-style-type: none"> Number of daily park visits Number of pavilion rentals Number of field rentals

Parks and Recreation - Aquatic and Recreational Facility

Program Description

This budget supports all personnel, program activities, building maintenance and operational functions including, repairs/replacements, janitorial, utilities, chemicals and support services for the operation and maintenance of the Warrenton Aquatic and Recreation Facility (WARF). The objective of this facility is to provide land and aquatic-based recreational and fitness programming and activities for youth and adults of the Town of Warrenton and its guests.

Current Staffing

The WARF currently has one full-time staff member – the Aquatics Coordinator. The FY 2023 request would increase full-time staffing to two. The facility is comprised primarily of part-time staff, to include the positions of Facility Attendants, Aquatics Attendants, Managers on Duty, Aquatic Supervisor, Fitness Instructors, and Lifeguards, limited to working no more than 29 hours per week.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 675,097	\$ 531,428	\$ 681,773	\$ 760,336	\$ 78,563
Operating	551,280	599,166	797,939	879,604	81,665
Capital	10,641	506	20,000	20,000	-
Total	\$ 1,237,018	\$ 1,131,100	\$ 1,499,712	\$ 1,659,940	\$ 160,229
Staffing Summary					
Full-time equivalents	20.32	20.19	19.32	15.37	-3.95

Budget Request / Analysis

The FY 2023 budget is \$1,659,940, which is an increase of \$160,229, or 10.7%, compared to the FY 2022 budget. The WARF charges for services and sponsorships are presented to show the extent to which they offset the expenditures.

The personnel category reflects an increase of \$78,563. This is due to the upgrade of funding for part-time Aquatics Supervisors to one full-time position. In addition, the part-time funding for part-time Facilities Services Coordinator positions was used to fund a full-time position. This position was transferred to Parks Administration for the FY 2023 budget. Funding for part-time Recreation Programmers was also transferred to Parks Administration to fund a full-time position there. Finally, a six percent salary increase for part-time positions has been programmed into the budget.

The operating category reflects an increase of \$81,665. The largest area of increase is due to the Information Technology allocation, which is a \$43,415 increase over the current year. The cost of electricity and gas has also increased by a total of \$62,000, or 20%, over FY 2022. Marketing expenses shows a decrease of \$15,000, but those funds were transferred to salaries in this division and Parks Administration to help offset the

benefits costs of upgraded positions. A total of \$6,750 in travel and training was transferred to the Administration division.

Parks and Recreation - Parks

Program Description

The goal of this department is to maintain the Town's park facilities to provide high quality outdoor park facilities, open space, cultural programs and services for Town of Warrenton residents and its guests. The Town maintains Eva Walker Park, Rady Park, Sam Tarr Park, Academy Hill Park, Fun for All Playground, Skateboard Park, the lake, grounds and trails at the WARF complex, and the dog park.

Current Staffing

The Public Works Department provides staff for the maintenance and upkeep of our park facilities. Maintenance of these spaces is coordinated through a collaborative effort between the Parks and Recreation Director and Public Works Director.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 110,709	\$ 109,800	\$ 4,306	\$ 4,521	\$ 215
Operating	89,225	116,561	258,772	350,264	91,492
Capital	905	-	-	7,500	7,500
Total	\$ 200,839	\$ 226,361	\$ 263,078	\$ 362,286	\$ 99,208
Staffing Summary					
Full-time equivalents	2.95	2.82	0.36	0.36	0.00

Budget Request / Analysis

The Parks budget for FY 2023 of \$362,286 is an increase of \$99,208, or 37.7%, compared to the FY 2020 budget. The operating category reflects an increase of \$91,492 compared to the current year budget. This increase is in park maintenance. For FY 2023, an additional \$100,000 is funded in this category to cover the increased cost to maintain parks and fields.

The capital category provides for replacement of playground equipment for \$7,500. There was no funding provided for this in the current year's budget.

Parks and Recreation - Administration

Program Description

This budget supports all the department's various programs to make certain they perform and function effectively and efficiently. This administrative effort provides leadership, direction, oversight, management, technical assistance, contract management, and staff training assistance. This department's workload includes management of the WARF, five parks, the Fun for All Playground, Skateboard Park, Dog Park and the lake feature. The administration coordinates with other Town departments, Town Council and the Town Manager. Policies and procedures are developed, reviewed, revised and implemented.

Current Staffing

The Administration currently consists of a Director, Assistant Director, an Operations and Contracts Technician, and a Facility Services Coordinator.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 255,113	\$ 395,427	\$ 354,831	\$ 510,417	\$ 155,586
Operating	70,176	147,681	85,872	135,012	49,140
Capital	-	-	-	-	-
Total	\$ 325,289	\$ 543,108	\$ 440,702	\$ 645,429	\$ 204,726
Staffing Summary					
Full-time equivalents	3.69	3.69	3.73	5.00	1.27

Budget Request / Analysis

The FY 2023 Parks and Recreation Administration budget of \$645,429 reflects an increase of \$204,726, or 46.5%, over the FY 2022 budget.

The increase of \$155,586 in the personnel category reflects a new full-time position and a salary increase for another position. The Recreation Programmer was funded in the Aquatics and Recreation Center's budget in FY 2022, and it was upgraded from a part-time position to full-time for the FY 2023 budget. The Facility Services Coordinator was converted from part-time to full-time and the salary was increased in FY 2022.

The operating category increased by \$49,140 compared to the FY 2022 budget. This is mainly due to the Information Technology allocation. Funding (\$6,750) was also transferred from the Aquatics and Recreation Center's budget for travel and training.

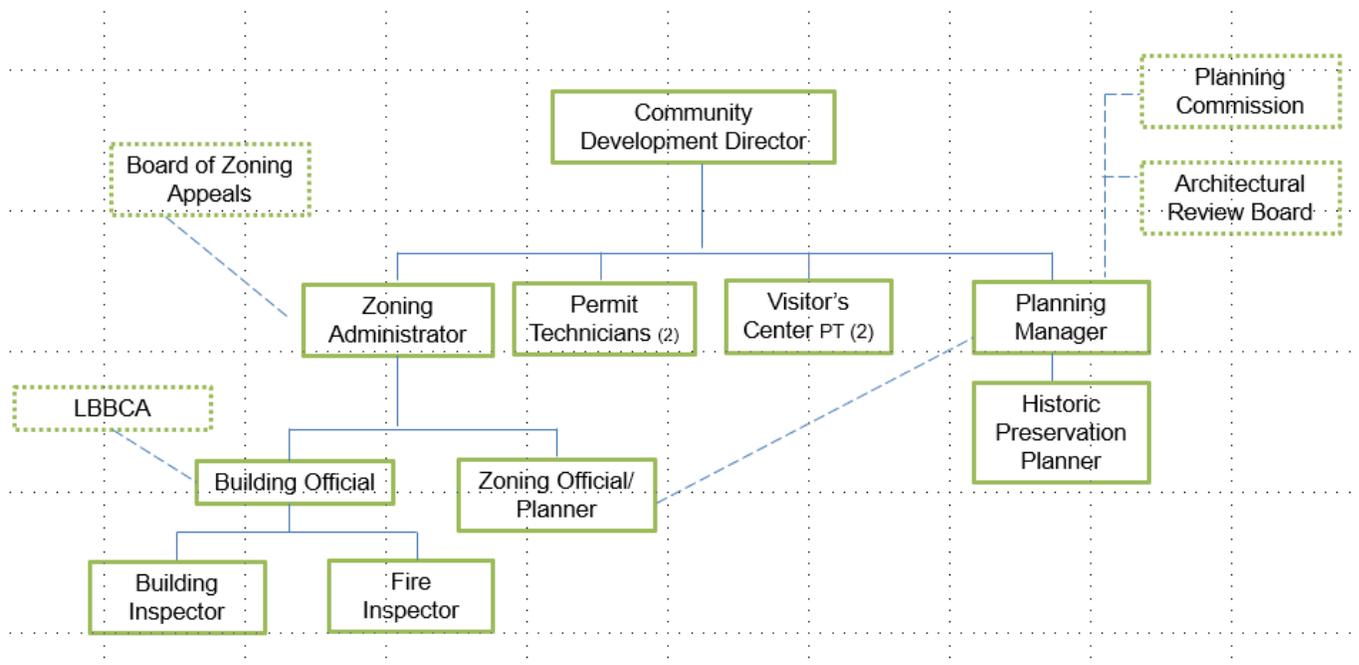
COMMUNITY DEVELOPMENT

Function Overview

The Planning and Community Development Department oversees the Town’s built and physical environments. The Department is responsible for current planning, long range planning, building and zoning permits, erosion and sediment control, and inspections. The Department enforces the Zoning and Subdivision Ordinance, Building Code, Fire Code, Town Code, and Historic District Guidelines. The Department provides research, data, and staff support for the Town Council, Planning Commission, Board of Zoning Appeals, Architectural Review Board, and acts as a liaison to multiple outside organizations such as Rappahannock-Rapidan Planning District Commission (PD9) and Fauquier County Committees. All land use applications and plans for new construction are reviewed and approved through Community Development along with updates to the Town’s Comprehensive Plan, development review ordinances (Zoning, Subdivision, and Historic District Guidelines) and the Capital Improvement Plan.

The Farmers’ Market continues to operate on the weekends. Although the responsibility for the Farmers’ Market lies with Experience Old Town Warrenton, Community Development continues to oversee and support the market

Current Staffing



Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Planning Division	\$ 791,264	\$ 615,201	\$ 557,652	\$ 609,156	\$ 51,503
Development Services	481,361	503,655	581,311	644,775	63,464
Visitors Center	73,501	45,331	68,515	85,860	17,344
Planning Commission	14,060	17,383	21,064	28,071	7,007
Architectural Review	4,844	5,476	8,094	12,385	4,291
Board of Zoning Appeals	914	2,081	3,000	3,000	-
Total	\$ 1,365,944	\$ 1,189,128	\$ 1,239,636	\$ 1,383,247	\$ 143,611
Revenue					
Revenue	\$ 226,686	\$ 336,901	\$ 223,550	\$ 370,665	\$ 147,115
Net Expenditure	\$ 1,139,258	\$ 852,227	\$ 1,016,086	\$ 1,012,582	\$ (3,504)

The total budget for this function of \$1,383,247 represents 7.5% of the general fund budget. The function reflects an increase of \$143,611, or 11.5%, compared to the FY 2022 budget. Detail for each of the departments listed above is provided in the following pages.

Revenue directly related to this function is estimated to total \$370,665 in FY 2023, which reduces the net expenditure to \$1,012,582.

Goals

- Provide the citizens of the Town of Warrenton with friendly, accurate, timely, high-quality professional service.
- Provide a resident and business-friendly environment.
- Provide the Planning Commission, Architectural Review Board, and Town Council with recommendations on land use applications, policies, and plans that will result in balanced, equitable, orderly growth.
- Ensure recommendations are well informed and legally defensible.
- Be transparent and open to the public.
- Base recommendations on the adopted policy and plans that set forth the vision for the Town.
- Collaborate with adjacent Planning Commissions, agencies, and interested organizations.

FY 2022 Highlights

- Zoning Ordinance Text Amendments approved by Town Council including "Mixed-Use" and "Data Centers";
- Update the Historic District Guidelines.

Key Projects for FY 2023

- OpenGov Implementation;
- Septic Remediation improvements;
- Various Text Amendments;
- Affordable Housing;
- Waterloo Street and Main Street Planning/Improvements.

Goals, Objectives, and Measures

Mission: To provide outstanding customer service and enhance the quality of life for all residents and businesses within the Town.

The following goals and objectives have been identified by Community Development.

Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
<p>Replace GovSense with OpenGov</p>	<ul style="list-style-type: none"> • Provide a forward facing component to allow for the application of permits online. 	<ul style="list-style-type: none"> • Use of online application portal by residents and contractors. • Ease of use for set-up and tracking of permits.
	<ul style="list-style-type: none"> • Complete implementation by mid-March. 	<ul style="list-style-type: none"> • Ability for online payments. • Ability to track permits online and communicate with town staff to streamline the permitting process.
<p>Septic Remediation</p>	<ul style="list-style-type: none"> • Qualify for comprehensive grant to abandon drain fields in Town and have residents hook-up to public sewer. 	<ul style="list-style-type: none"> • Removal of existing drain fields.
	<ul style="list-style-type: none"> • Mitigate costs as much as possible. 	<ul style="list-style-type: none"> • Use of grants to offset cost to hook-up to public sewer.
<p>Various Text Amendments</p>	<ul style="list-style-type: none"> • Amend the Town's Zoning Ordinance to agree with State Code changes and to eliminate inconsistencies. 	<ul style="list-style-type: none"> • Initiate batch text amendment by January 2022. • Add flexibility to the C District to aid businesses and property owners.
	<ul style="list-style-type: none"> • Relax C District regulations. 	<ul style="list-style-type: none"> • Provide additional landscape buffer options to provide flexibility for residential developments.
	<ul style="list-style-type: none"> • Provide additional landscape buffer options. 	
<p>Affordable Housing</p>	<ul style="list-style-type: none"> • Create more attainable housing opportunities in the Town. 	<ul style="list-style-type: none"> • Form an affordable housing committee. • Develop key areas that will create the most impact in creating attainable housing.
<p>Guide to Historic Resources</p>	<ul style="list-style-type: none"> • Update Historic District Guidelines to reflect changes in national standards and needs of surveyed properties. 	<ul style="list-style-type: none"> • Hold a public meeting to review the new guide.
	<ul style="list-style-type: none"> • Obtain final review and approval from the Architectural Review Board. 	<ul style="list-style-type: none"> • Obtain final review and approval from the Architectural Review Board.
	<ul style="list-style-type: none"> • Establish a guide to be utilized Town-wide encouraging preservation beyond the Historic District. 	<ul style="list-style-type: none"> • Obtain final review and approval from Town Council. • Submit approved document to DHR for CLG requirements.

Planning Division

Program Description

The Planning division provides support in the areas of current land use, legislative cases, transportation, long-range planning, community development and administration. The Division provides research and support for the Town Council, Planning Commission, Architectural Review Board, and the Transportation Safety Commission. Additionally, the Division is responsible for developing and updating the Town's Comprehensive Plan, development and review of the Historic District Design Guidelines and the Capital Improvements Program.

Current Staffing

The Planning Division is staffed by two full-time personnel, a Planning Manager and a Historic Preservation Manager. The Director of Community Development, for budgeting purposes, is programmed in this division although the position's salary is split 50/50 between Planning and Development Services.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 608,426	\$ 421,484	\$ 299,031	\$ 342,160	\$ 43,129
Operating	182,838	193,717	258,121	265,996	7,874
Capital	-	-	500	1,000	500
Total	\$ 791,264	\$ 615,201	\$ 557,652	\$ 609,156	\$ 51,503
Staffing Summary					
Full-time equivalents	4.64	4.14	4.14	4.14	0.00

Budget Request / Analysis

The budget for FY 2023 is \$609,156, which reflects an increase of 51,503, or 9.2%, compared to FY 2022.

The \$43,129 increase in personnel is due mainly to cost-of-living and merit-based salary increases and health insurance election changes. Due to the increased need for staffing events related to Community Development beyond business hours, a budget of \$6,500 has been added for overtime wages.

The \$7,874 increase in the operating budget is primarily due to the Information Technology allocation. An increase of \$500 has been added to furniture and fixtures in the capital category.

The annual contribution for membership in the Rappahannock Rapidan Regional Commission, Planning District 9 (PD9), will be \$8,347 for FY 2023. The Town has benefited from participation in the Rural Transportation Committee at PD9. This has

identified essential traffic and road issues and enabled the Town to participate in supplemental funding opportunities for transportation projects. Joint planning activities have been established with Fauquier County Planning for land use and transportation coordination. The Commission also annually requests a contribution from participating localities in support of their role as lead housing agency. The Town's contribution in support of this effort is \$1,937.

Development Services Division

Program Description

Development Services Division provides support in the areas of zoning, E&S, community development and administration. The Division enforces the regulations of the Zoning and Subdivision Ordinance, Building Code and the Town Code. The Division provides research and support for the Town Council, Board of Zoning Appeals, and Architectural Review Board. All plans for new construction, rehabilitation of existing structures and development of properties in the Town are reviewed and approved by the Development Services Division. Additionally, the Division is responsible for, development review ordinances (Zoning, Subdivision) rendering zoning verifications and determinations, addressing, reviewing and updating ordinances; all inspections for the Town to ensure compliance with Federal, state and local ordinances for the protection of public health and safety with respect to the occupancy and sufficiency of property use and development; inspection activities include building and fire code compliance; soil and erosion control; site development, utilities and zoning consistency. The Division also enforces the Building Maintenance and Fire Prevention Codes; provides technical advice to citizens, contractors and business owners; aids in the Town execution of public projects; and assists other Town staff members.

The Division delivers a high level of service to the public and ensures a minimum standard of compliance with Town ordinances based upon both the mission and value statements adopted by the Town Council. The division strives to keep citizens, contractors, businesses and other staff members up to date on any Zoning Ordinance and Building Code changes.

Building Inspections is supported by the fees charged for the plan review and field work scheduled as part of the application process. The Town building fees continue to be reviewed to ensure that they sustain the services provided by the Town and reflect the appropriate cost of the permit and inspection process. Community Development monitors nearby and similar communities and the cost of Town services to update fees as appropriate. The use of outside expertise and professional services to accommodate the inspection load without arbitrarily increasing staff as a part of the budget has been an effective tool in assuring reasonable responses to the building community at the most cost-effective means.

Current Staffing

In prior budget cycles, inspection services were consolidated with Planning. This is reflected in budget allocations where 50% of two Permit Technicians and 25% of the Administrative Assistant and 25% of the salaries for a Building Official and an Inspector are shared with Planning to support permit application intake and zoning inspections for ordinance compliance.

The Zoning Administrator oversees the Development Services function. The Building Official and Zoning Official report to the Zoning Administrator.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 401,276	\$ 434,268	\$ 444,270	\$ 466,964	\$ 22,694
Operating	80,085	69,387	137,041	177,811	40,770
Capital	-	-	-	-	-
Total	\$ 481,361	\$ 503,655	\$ 581,311	\$ 644,775	\$ 63,464
Staffing Summary					
Full-time equivalents	7.23	4.48	4.72	4.72	0.00

Budget Request / Analysis

The budget for FY 2023 of \$644,775 reflects an increase of \$63,464, or 10.9%, compared to the FY 2022 budget.

The \$22,694 increase in personnel expenses is due mainly to cost-of-living and merit-based salary increases as well as health insurance election changes. In addition, as with Planning, a budget of \$6,500 was added for overtime wages.

The operating budget reflects an increase of \$40,770. The bulk of this increase is the \$32,149 increase in the allocation from the Information Technology function. Also, an additional \$8,529 have been added due to Motor Pool expenses.

Visitor Center

Program Description

The Warrenton-Fauquier Visitor Center is open five days a week to provide tourism and information services to the public about the Town and surrounding area. The Visitor's Center is now located at 21 Main Street.

Current Staffing

The Visitor Center is staffed by two part-time positions.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 58,584	\$ 31,990	\$ 45,641	\$ 45,644	\$ 3
Operating	14,917	13,342	22,874	40,215	17,342
Capital	-	-	-	-	-
Total	\$ 73,501	\$ 45,331	\$ 68,515	\$ 85,860	\$ 17,344
Staffing Summary					
Full-time equivalents	1.37	1.00	1.00	1.00	0.00

Budget Request / Analysis

The FY 2023 budget reflects an increase of \$17,344 compared with the current fiscal year. In late FY 2020, the Visitor Center reduced the number of days that it was open from seven to five days a week. This resulted in reducing staff from three part-time to two part-time. One part-time employee retired in FY 2022, so the position will likely be filled at a lower entry-level rate which accounts for the small increase in personnel expenses. In order to qualify as a Certified Tourist Information Center in Virginia, the Visitor's Center must be open year-round a minimum of five days per week, two of which should be Saturday and Sunday.

Operating expenses show an increase of \$17,342. This is mainly due to the allocation of the Information Technology function. A total of \$1,500 was also added to the budget to cover electricity expenses for the Center.

Funding in the amount of \$42,600 is provided annually by Fauquier County to support the efforts of the Visitors Center. This results in a net expenditure to the Town for FY 2023 of \$43,260.

Planning Commission

Program Description

The Planning Commission is established by Section 2-162 of the Town Code as enabled by §15.2-2210 of the Code of Virginia. The Code of Virginia specifies in §15.2-2221 that the duties of Planning Commissions include the following tasks. To effectuate this chapter, the local planning commission shall:

1. Exercise general supervision of, and make regulations for, the administration of its affairs.
2. Prescribe rules pertaining to its investigations and hearings.
3. Supervise its fiscal affairs and responsibilities, under rules and regulations as prescribed by the governing body.
4. Keep a complete record of its proceedings; and be responsible for the custody and preservation of its papers and documents.
5. Make recommendations and an annual report to the governing body concerning the operation of the commission and the status of planning within its jurisdiction.
6. Prepare, publish and distribute reports, ordinances and other material relating to its activities.
7. Prepare and submit an annual budget in the manner prescribed by the governing body of the county or municipality.
8. If deemed advisable, establish an advisory committee or committees.

Current Staffing

The Commission consists of a Chairman and six (6) members. A member of Town Council also sits on the Commission as an Ex-Officio member. The Planning Manager serves as staff support for the Commission.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 9,688	\$ 10,227	\$ 13,564	\$ 13,564	\$ -
Operating	4,372	7,157	7,500	14,507	7,007
Total	\$ 14,060	\$ 17,383	\$ 21,064	\$ 28,071	\$ 7,007

Budget Request / Analysis

The budget for the Planning Commission for FY 2023 shows a total increase of \$7,007, or 33.6% over the current year. This is due to the allocation of Information Technology expenses as well as \$1,000 added to advertising, to cover the cost of advertising for the Commission. Planning Commissioners receive a monthly stipend of \$125.

Board of Zoning Appeals

Program Description

The Board of Zoning Appeals is established by the Code of Virginia to hear and decide upon requests for special exceptions and appeals from any order, decision or determination made by an administrative officer enforcing the Town's Zoning or Subdivision Ordinance. The Board also interprets the district zoning map where uncertainty exists regarding the location of a district boundary and authorizes variances from the strict terms of the Zoning Ordinance where a clear hardship can be demonstrated. Nominations for the BZA are solicited by Town Council from the general public and are representative of the Town at-large. Recommendations for appointment are made to and approved by the Circuit Court.

Current Staffing

The Board consists of Chairman, Vice-Chairman and three members. The Zoning Administrator, Town Attorney and a part-time secretary provide staff support. The Board strives to provide quality and timely services to those citizens in need of Board actions. The meetings are regularly scheduled on the first Tuesday of each month.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Operating	\$ 914	\$ 2,081	\$ 3,000	\$ 3,000	\$ -
Total	\$ 914	\$ 2,081	\$ 3,000	\$ 3,000	\$ -

Budget Request / Analysis

The budget for the Board of Zoning Appeals is level funded for FY 2023. Operating expenditures include costs for advertising, printing, and professional services.

Architectural Review Board

Program Description

The Architectural Review Board's (ARB) primary function is to review applications for construction, reconstruction, substantial exterior alteration, demolition, relocation and signage within the Town's historic district. In addition, the ARB assists the Town Council, Planning Commission and property owners in matters involving historically significant sites and buildings; advises owners of historic landmarks or contributing structures on preservation efforts; and proposes additions to the historic district. The ARB is supported by Town staff, which prepares reports for their review, schedules meetings and provides general administrative support.

Specific architectural services are obtained on occasion to advise the Board on unique structural details as the need arises. The Board meets monthly on the fourth Thursday and often meets on an as-needed basis to accommodate the needs of Town citizens.

Current Staffing

The ARB consists of a Chairman, Vice-Chairman and three other members appointed by the Town Council. The Preservation Planner and an Administrative Assistant provides staff support to the Board.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 4,844	\$ 4,683	\$ 4,844	\$ 4,844	\$ -
Operating	-	793	3,250	7,541	4,291
Total	\$ 4,844	\$ 5,476	\$ 8,094	\$ 12,385	\$ 4,291

Budget Request / Analysis

The budget for the Architectural Review Board for FY 2023 shows an increase of \$4,291 over FY 2022. This is due to the Information Technology allocation for the Board of Zoning Appeals. Members of the board receive a monthly stipend of \$75.

CONTRIBUTIONS TO OUTSIDE AGENCIES

Program Description

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

Budget Summary

Agency	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Proposed
Aging Together	\$ -	\$ 4,250	\$ 4,250	\$ 4,250
Allegro Community School for the Arts	9,000	9,000	-	-
Bluemont Concert Series	-	-	-	-
Boys & Girls Club	9,000	7,650	7,650	7,650
Comfort and Care Support (aka Hospice)	-	4,250	4,250	4,250
Families4Fauquier	-	-	-	-
Fauquier CADRE	1,800	1,530	-	-
Fauquier Community Action Committee	9,000	7,650	7,650	7,650
Fauquier Community Child Care	4,050	3,443	3,443	3,443
Fauquier Community Food Bank	3,375	2,869	2,869	2,869
Fauquier County Youth Orchestra	-	2,125	1,750	1,750
Fauquier Family Shelter Services	6,030	5,126	5,126	5,126
Fauquier Free Clinic	9,000	7,650	7,650	7,650
Fauquier Habitat for Humanity	-	8,500	-	-
Fauquier Historical Society	9,000	7,650	-	15,300
Gloria Dingus Music Alliance	2,500	2,125	-	-
Leadership Fauquier	2,700	2,295	-	-
Literacy Volunteers	2,700	1,913	1,913	1,913
Lord Fairfax Community College	6,750	5,738	5,738	5,738
Piedmont Dispute Resolution Center	900	765	765	765
Rappahannock Rapidan Regional Commissio	-	-	-	-
Total	\$ 75,805	\$ 84,529	\$ 53,054	\$ 68,354

Budget Request / Analysis

For FY 2023, the budget for contributions will be level funded. Descriptions of each organization is provided below.

Aging Together

Aging Together provides programs and services to older adults in Warrenton. The program is a collaborative effort built on an alliance of organizations and individuals who actively participate in one or more County Teams and regional committees and

work together across agencies, counties and interest areas. The program exists primarily due to the work of hundreds of volunteers who demonstrate the motivation and passion that make our communities better as we grow older. It has been recognized by state and national organizations as a leader in the field of aging. The organization requested a \$5,000 contribution; the budgeted contribution is \$4,250.

Boys & Girls Club of Fauquier

The mission of the Boys & Girls Club is to help boys and girls of all backgrounds, especially those in need, to build confidence, to develop character and to acquire the skills needed to become productive, civic-minded, responsible adults. The organization requested a \$25,000 contribution; the budgeted contribution is \$7,650.

Comfort and Care Support (formerly known as Hospice Support of Fauquier)

Comfort and Care Support is a non-profit organization with a mission to provide non-medical supportive care to people with chronic disease or life-threatening illness, and their caregivers. Hospice Support of Fauquier has received contributions from the Town in years past. The organization requested a \$5,000 contribution; the budgeted contribution is \$4,250.

Fauquier Community Action Committee (Head Start/Bright Stars Program)

The Fauquier Community Action Committee (FCAC) Head Start/Bright Stars program provides a quality comprehensive preschool program to children and families of low income in Fauquier County. The program is offered to 3- and 4-year-olds that meet the federal income poverty guidelines. The organization requested a \$9,000 contribution; the budgeted contribution is \$7,650.

Fauquier Community Child Care

The Fauquier Community Child Care (FCCC) program, which provides affordable childcare in concert with Fauquier County Public Schools, provides an important childcare service to Warrenton residents at Brumfield, Bradley and P.B. Smith Elementary Schools. The organization requested a \$5,000 contribution; the budgeted contribution is \$3,443.

Fauquier Community Food Bank / Thrift Store

The Fauquier Community Food Bank / Thrift Store provides food and household provisions to residents of Fauquier County living below federal poverty guidelines. The organization requested a \$5,000 contribution; the budgeted contribution is \$2,869.

Fauquier County Youth Orchestra

The Fauquier County Youth Orchestra is a non-profit educational organization that makes learning and performing music available to our local youth during after-school hours. They meet weekly to rehearse new music, given at the beginning of each semester with a concert performance at the end of the semester. The organization requested a \$1,000 contribution; the budgeted contribution is \$1,750.

Fauquier Family Shelter Services

Fauquier Family Shelter Services (FFSS) was established in 1988 by concerned individuals and social service agencies to alleviate the pain of poverty and homelessness in Fauquier County. FFSS provides the only emergency shelter in the County and provides an intensive one-year program at nearby Vint Hill to assist families in transitioning from being homeless to maintaining stable and independent living. The organization requested a \$6,030 contribution; the budgeted contribution is \$5,126.

Fauquier Free Clinic

The Clinic provides primary medical care to uninsured residents with a special effort to include all children. Local practitioners who volunteer their time and talent provide all medical and dental care. The Town's donation will be used to purchase medications for uninsured residents of the Town and to support operations. The organization requested funding of \$9,000; the budgeted contribution is \$7,650.

Fauquier Historical Society

The Fauquier Historical Society operates the Old Jail Museum, which is centrally located in the Town of Warrenton and open six days a week. The purpose of the organization is to preserve and maintain objects, documents and other memorabilia of historic interest pertaining to the County of Fauquier, the Commonwealth of Virginia, or the United States. The organization requested a \$20,000 contribution; the budgeted contribution is \$15,300.

Literacy Volunteers of Fauquier County

The overarching goals of Literacy Volunteers of Fauquier County (LVFC) are to improve the reading, writing, basic communication, study and computer skills of adults in our community and to promote learning as a fundamental goal. LVFC provides these services at their headquarters in Warrenton, the Warrenton Library and at other cooperative sites throughout the County. They also provide one-on-one tutoring in reading, writing, and math skills as well as English as a Second Language (ESL). The organization requested funding in the amount of \$2,500. The budgeted contribution is \$1,913.

Lord Fairfax Community College

Since 2017, the Town has provided funding to offer two scholarships for one year for Town of Warrenton residents. The program consists of an academic scholarship and a work force scholarship. LFCC requested funding of \$7,000. The budgeted contribution is \$5,738.

Piedmont Dispute Resolution Center

The part-time staff at the Piedmont Dispute Resolution Center works with the court system and staff are assigned by the courts to a wide range of mediation responsibilities involving juvenile and domestic abuse, domestic problems, divorce, and juvenile issues. In addition, the Center trains peer mediators for the school system who are often able to resolve issues between students before they escalate into serious problems. The organization requested funding of \$765. The budgeted contribution is \$765.

NONDEPARTMENTAL

Program Description

This function includes the funding for principal and interest payments for General Fund lease/purchase agreements and general obligation bonds, transportation services, and the Main Street Program.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Transportation Services	\$ 112,832	\$ 125,665	\$ 127,795	\$ 127,795	\$ -
Main Street Program	40,000	-	65,000	65,000	-
VCA CCP Program	9,000	9,000	9,000	9,000	-
Warrenton Caboose	2,000	-	850	850	-
WVFD	-	-	-	150,000	150,000
Total	\$ 163,832	\$ 134,665	\$ 202,645	\$ 352,645	\$ 150,000
Associated Revenue					
PATH Foundation	\$ 45,815	\$ 45,815	\$ 45,815	\$ 50,727	\$ 4,912
VCA CCP Grant	5,000	4,500	4,500	4,500	-
Net Expenditure	\$ 113,017	\$ 84,350	\$ 152,330	\$ 297,418	\$ 145,088

Budget Request / Analysis

Transportation Services

Operated by Virginia Regional Transit (VRT), the Circuit Rider provides access to affordable transportation for Town residents. Federal funding covers 50% of the expenses associated with the program, 32% represents the Town's share of funding, and the remaining 18% is provided by the State. Although the COVID-19 pandemic hindered many government, nonprofit, and business services provided to residents, Warrenton Circuit Rider routes continued uninterrupted throughout the pandemic. The Town will continue to fund the federally prescribed local match total of \$127,795. The PATH Foundation has committed \$50,727 to offset the Town's cost-share.

Main Street Program

The Main Street Program function is provided by Experience Old Town Warrenton (EOTW), a community non-profit organization committed to building a Main Street District of thriving business, history, and social activities. The Program envisions a vibrant, beautified Old Town Warrenton with a focus on a dynamic, organized district of retail and restaurants that preserves and builds upon our historic character. Such vitality fosters opportunities for growth: economically, socially, and culturally. This vision supports and attracts businesses and visitors, and just as importantly, directly enhances the quality of life for the residents of our community. Support for the Program for Fiscal Year 2023 will remain the same as the FY 2022 level.

Virginia Commission for the Arts (VCA) Creative Communities Partnership Program

This program historically funded the Bluemont Summer Concert Series in the Town. As concerts may not be feasible due to the ongoing pandemic, other options are being investigated to utilize this funding.

Warrenton Caboose

The Warrenton Caboose project seeks to promote and preserve the rich railroad heritage of the Warrenton area. The caboose is located at the trailhead of the Warrenton Greenway. Volunteers purchase various materials and supplies to repair and maintain the caboose, shanty building, the railroad track and the No. 10 switch, the track signal (circa 1930) and the turntable basic (circa 1850). Caboose tours provide visitors an overview of the railroad heritage of Warrenton and Fauquier County. The funding for this year remains at \$850.

Warrenton Volunteer Fire Department

Until mid-FY 2022, the Town of Warrenton provided support to the Warrenton Volunteer Fire Department in the form of funding for two full-time firefighters and a capital allocation of \$150,000 for the maintenance and upgrade of its apparatus. Although the Town has transferred Fire and Rescue Services function to Fauquier County, WVFD has requested that the Town continue to provide the capital support.

DEBT SERVICE

Program Description

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

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Debt Service					
Principal	\$ 541,350	\$ 692,349	\$ 709,050	\$ 506,045	\$ (203,005)
Interest	198,125	275,247	257,430	349,573	92,143
Fiscal Charges	-	-	-	-	-
Total	\$ 739,475	\$ 967,596	\$ 966,480	\$ 855,618	\$ (110,862)

Budget Request / Analysis

Debt service payments totaling \$855,618 are budgeted for FY 2023, which is a decrease of \$110,861 from FY 2022.

During FY 2022, the Town refunded all outstanding bonds. For the general fund, the outstanding debt consisted of a 2012 Refunding bond, related to the construction of the WARF, and a 2019 GO bond for the purchase and renovation of Town Hall at 21 Main Street. Both bonds were refunded as part of the Virginia Resources Authority Summer pool, resulting in a Series 2021B Refunding Bond. A principal payment of \$475,000 and interest payments totaling \$349,222 will be due in FY 2023.

There is one final payment \$31,397 due under a 2017 capital lease issued to finance the purchase of police department vehicles.

TRANSFERS

Program Description

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

Budget Summary

Transfer to	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Capital Projects Fund	\$ 1,553,552	\$ 807,564	\$ 585,627	\$ 292,245	\$ (293,382)
General Asset	-	301,191	1,160,383	750,246	(410,137)
Total	\$ 1,553,552	\$ 1,108,755	\$ 1,746,010	\$ 1,042,491	\$ (703,519)

Budget Request / Analysis

The FY 2023 requested transfers to the Capital Improvement Program Fund and Capital Asset Replacement Fund represents the difference between the total estimated costs of the projects budgeted in the Capital Improvement Program and the newly established General Asset Replacement Fund, and the funding to be received from the Virginia Department of Transportation TAP grant (Timber Fence Trail). The remaining \$1,042,491 will be funded out of fund balance.

CAPITAL IMPROVEMENT PROGRAM FUND

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

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

<u>REVENUE</u>	<u>FY 2022 Adopted</u>	<u>FY2023 Proposed</u>
Local Revenue	\$ 45,141	\$ 50,889
State Revenue	-	-
Federal Revenue	361,127	407,112
Proceeds from Indebtedness	-	-
Transfers In	585,627	\$292,245
Total Capital Projects Revenue	<u>\$ 991,895</u>	<u>\$ 750,246</u>
 <u>EXPENDITURES</u>		
Capital Projects	\$ 1,038,206	\$ 750,246
Total Capital Projects Expenditures	<u>\$ 1,038,206</u>	<u>\$ 750,246</u>

Capital Improvement Program Revenue

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

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

Budget Summary

Description	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Interest Revenue	\$ 15,281	\$ 2,607	\$ -	\$ -	\$ -
Local Revenue	-	45,141	45,141	50,889	5,748
State Revenue	327,839	-	-	-	-
Federal Revenue	-	361,127	361,127	407,112	45,985
Proceeds from Indebtedness	4,100,000	-	-	-	-
Transfers	1,553,552	631,938	585,627	292,245	(293,382)
Total	\$ 5,996,672	\$ 1,040,813	\$ 991,895	\$ 750,246	\$ (241,649)

Local Revenue

Fauquier County

Funding in the amount of \$50,889 represents Fauquier County's share of the Timber Fence Trail project. This project is a Federally funded grant passed-through and administered by the Virginia Department of Transportation. The funding split is 80% federal, 20% local. Fauquier County has agreed to split the local match with the Town.

Federal Revenue

Virginia Department of Transportation TAP Grant

Funding of \$407,112 is programmed for FY 2023 in support of the Timber Fence Trail project.

Transfers

Transfer from General Fund

This is the balance of funding necessary to implement the requirements of the annual CIP program. For FY 2023, this amount is \$292,245. There is a significant reduction in the required transfer in FY 2023 due to projects being offset by American Rescue Plan Act of 2021 (ARPA) funding.

Capital Improvement Program Expenditures

Program Description

The Capital Improvements Fund represents the best efforts of the Town's citizens, Council, staff, and Planning Commission to identify and recommend major construction projects over the next five years for the Town in a manner which allows for long-range fiscal planning utilizing available tax dollars. The first year of the Capital Improvement Plan, as amended during the budget process, is funded in the Town's annual budget. Comparisons to the prior year, apart from overall dollar amount, are not provided as the types of projects from one year to the next vary a great deal.

Description	FY 2023 Proposed
Salary & Benefits – Project Coordinator	\$20,219
Gateway Improvements	70,000
4 th to 5 th Street Connector	101,137
Timber Fence Trailway	508,890
Guard Rail Replacement	50,000
Total Capital Improvements Fund Expenditures	\$750,246
Staffing Summary	
Full-time	0.30

Project Descriptions

Salary & Benefits – Project Coordinator (\$20,219): The FY 2022 included a portion of the salary and benefits for a Facilities Manager. This position has been eliminated, and a Project Coordinator has been added for the FY 2023 budget. The Project Coordinator will be allocated 20% in the General Capital projects fund, 50% to the Water and Sewer fund, and 30% to the Stormwater Management fund.

Gateway Improvements (\$70,000): This project seeks to implement the long-standing goal of constructing attractive gateways and a wayfinding system into the Town of Warrenton. Improvements are proposed to be funded for five years. At the conclusion, there will be consistent signage welcoming visitors and residents alike through the Town. The five proposed entrances include locations entering the Town and/or the Historic District, including Falmouth and Shirley, East Lee Street and/or

Main Street, Broadview Avenue and/or Alexandria Pike, and Route 211 and Broadview Avenue. The project will include design/engineering and implementation.

Timber Fence Trail (\$508,890): This project will include the connectivity of pedestrian access from the northwestern end of Town to Waterloo Road, the High School and WARF. It is a cooperative project between Fauquier County, VDOT and Federal Highway Administration for which the County and Town share 20% of the costs and the State and Federal Government cover 80%. FY23 funding is for Segment Two of the trail. Segment Two will depend on funding in the next biennial VDOT TAP Grant allocation. The grant for phase 2 will cover 80% of the cost of the trail construction. The Town and Fauquier County have agreed to split the remaining costs.

4th to 5th Street Connector (\$101,137): Construction of a 15-foot-wide connector road from the southern end of S. 4th Street over to S. 5th Street. The connector road will be to accommodate one-way traffic and a loop between the two streets to facilitate vehicle flow. Also constructed will be a parking area for 14+ vehicles adjacent to the Warrenton Branch Trail. The project will include a pedestrian sidewalk/trail connection to 5th Street.

Guard Rail Replacement (\$50,000): Several guard rails throughout Town are in need of replacement. Guardrail systems are roadside safety features for redirecting errant vehicles from a dangerous path. When guardrail systems are damaged, they may not be able to fully perform their intended functions to protect errant vehicles and sometimes may become hazards themselves. The repair, replacement, and/or upgrade of damaged guardrail systems are critical to the safety of the traveling public.

GENERAL ASSET REPLACEMENT FUND

This fund was created for Fiscal Year 2021. The purpose of the fund is to plan for the ongoing replacement of the Town’s existing vehicles, equipment, and major systems. By annually updating a five-year asset replacement plan, the Town strives to provide cash funding to cover planned replacements.

The Town adheres to a Fleet Vehicle and Equipment Replacement Policy, which utilizes metrics regarding vehicle maintenance and repair costs in addition to age and mileage to determine when it is more cost-effective to the Town to replace a vehicle. Another large category of expense is the maintenance and replacement of computers, servers and networks. The information technology plan calls for the replacement of such equipment based on the useful life of the assets.

For FY2023, the total General Asset Replacement plan is \$641,262. This amount is funded by a transfer from the General Fund.

Summary of General Asset Replacement Budget

<u>Revenue</u>	<u>FY 2022 Adopted</u>	<u>FY 2023 Proposed</u>
<u>Transfers</u>	\$ 1,160,383	\$ 641,262
Total General Asset Replacement Revenue	\$ 1,160,383	\$ 641,262
<u>Expenditures</u>		
Police Department Assets	\$ 98,262	\$ 98,262
Warrenton Volunteer Fire Company Assets	150,000	-
Public Works Assets	50,000	55,000
Parks and Recreation Assets	230,000	85,000
Information Technology Assets	49,500	100,000
Community Development	-	150,000
<u>Fleet Assets</u>	582,621	153,000
Total General Asset Replacement Expenditures	\$ 1,160,383	\$ 641,262

Revenue

Transfers – The funding for the FY 2023 General Asset Replacement Fund will be transferred from the unassigned fund balance in the General Fund.

Expenditures

Police Department Assets - For FY 2023, the Town's fleet replacement plan calls for the replacement of two patrol vehicles.

Warrenton Volunteer Fire Company Assets – Prior to FY 2023, the Town provided a \$150,000 contribution to the Warrenton Volunteer Fire Company that is used to fund their asset replacement program. The Fire and Rescue functions were transferred to Fauquier County in 2022, so the Town will no longer contribute this funding under this category.

Public Works Assets – In FY 2023, Public Works will replace the HVAC system at the Police Department.

Parks and Recreation Assets – For FY 2023, Parks and Recreation has two asset replacements.

- **Fitness and Studio Floor Replacement** which is estimated to cost \$60,000.
- **Fitness Equipment Replacement** which is estimated to cost \$25,000.

Information Technology Assets – Each year, due to the nature of rapidly changing technology, the IT department must replace a certain number of computers and servers. In addition, this amount will cover the cost of replacing TASERS in the Police Department for FY 2023.

Community Development – There are three items under Community Development in FY 2023. These include the following:

- **Seasonal Beautifications** (\$50,000): Items to beautify facilities and streetscapes which may include lighting, flags, banners, and other enhancements for the benefit of the season.
- **Survey of Local Historic District** (\$50,000): The Town is in the process of updating the Historic District Guidelines. The next step will be to apply to the Department of Historic Resources for a grant to survey the Local Historic District for inclusion on the National District listing.
- **Zoning Ordinance Update** (\$50,000): The last comprehensive update of the Zoning Ordinance occurred in 2006. While amendments have been pursued throughout the intervening years to stay current with State Code, the zoning ordinance is due a thorough review and update to implement the Town's strategic priorities and vision.

Fleet Assets- In FY 2023, the Town will purchase two assets:

Asset	Replacement Cost
Leaf Machine	\$85,000
Salt Spreaders	\$68,000

WATER AND SEWER OPERATING FUND

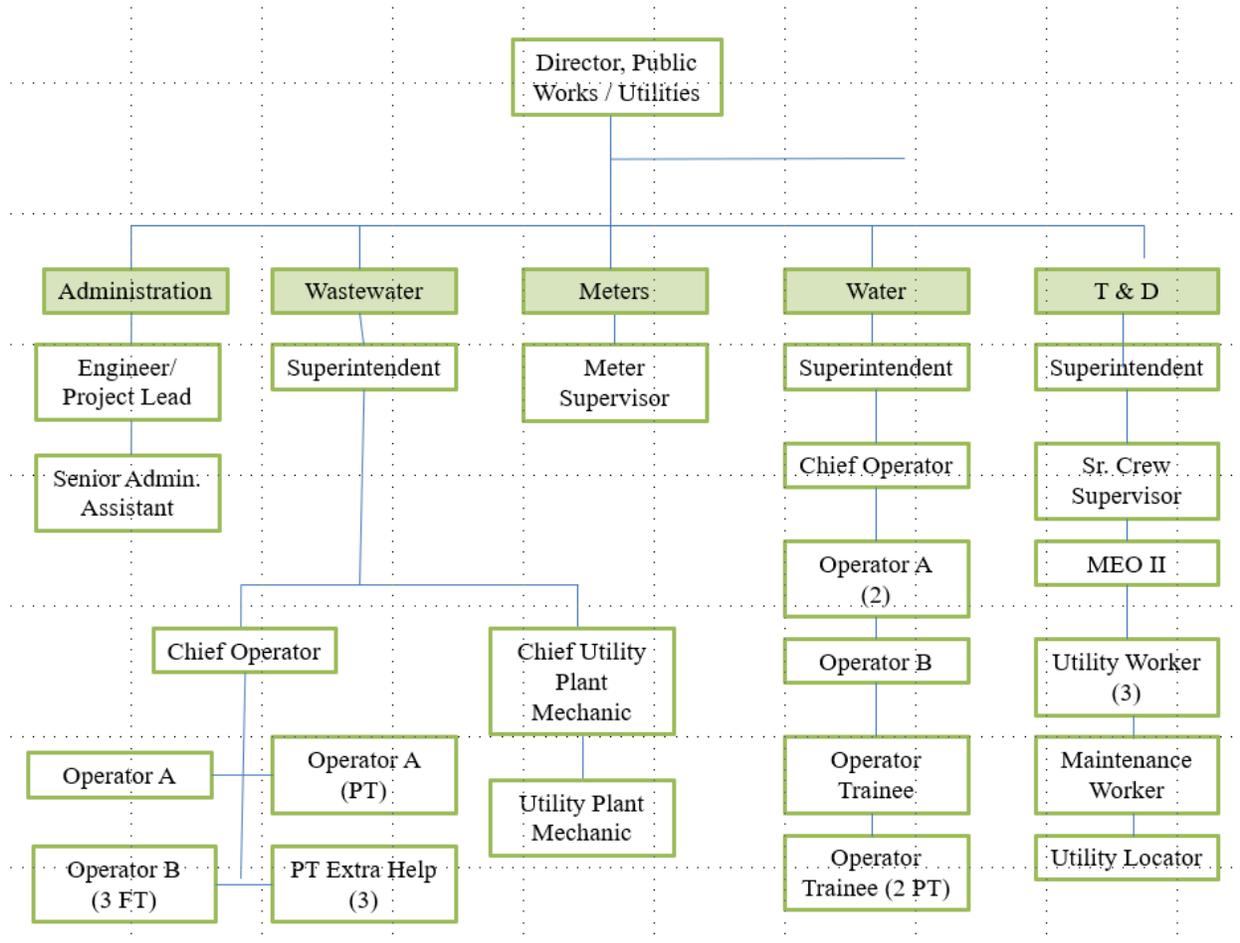
Overview

The Town's Water and Sewer Operating Fund, which includes all revenues and expenses for the production and distribution of drinking water and collection and disposal of sewage in Warrenton and certain areas surrounding the Town, is an enterprise fund. Monies used to support this budget are derived via monthly collections for services used by the Town's 5,011 residential and business accounts, plus other miscellaneous charges. The Town conducted a rate study in Fiscal Year 2022. The service rates included in this budget are based on the results of that study.

Summary of Water and Sewer Operating Budget

<u>Revenue</u>	<u>FY 2022 Adopted</u>	<u>FY 2023 Proposed</u>	<u>Increase / (Decrease)</u>
Permits, Fees & Licenses	\$ 10,500	\$ 13,005	\$ 2,505
Use of Money/Property	246,844	125,000	(121,844)
Charges for Services	6,028,530	6,285,144	256,614
Recoveries & Rebates	20,000	20,000	-
Miscellaneous Revenue	-	-	-
Grant Revenue	-	-	-
Non-Revenue Receipts	-	-	-
<u>Transfers & Reserves</u>	-	395,920	395,920
Total W/S Op. Revenue	<u>\$ 6,305,874</u>	<u>\$ 6,839,069</u>	<u>\$ 533,195</u>
 <u>Expenses</u>			
Water Supply & Distribution	\$ 2,367,977	\$ 2,681,694	\$ 313,717
Wastewater Treatment	1,994,934	2,206,344	211,411
Administration	983,512	1,195,843	212,331
<u>Debt Service</u>	<u>772,236</u>	<u>755,189</u>	<u>(17,047)</u>
Subtotal Operations	6,118,658	6,839,069	720,411
 <u>Transfers</u>	 187,216	 -	 (187,216)
Total W/S Op. Expenses	<u>\$ 6,305,874</u>	<u>\$ 6,839,069</u>	<u>\$ 533,195</u>

Current Staffing



Water and Sewer Operating Revenues

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

Source	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Fees	\$ 11,000	\$ 12,375	\$ 10,500	\$ 13,005	\$ 2,505
Interest Revenue	233,616	164,365	246,844	125,000	(121,844)
Charges for Services*	5,289,792	5,401,493	6,028,530	6,285,144	256,614
Recoveries & Rebates	48,304	36,773	20,000	20,000	-
Grant Revenue	-	28,054	-	-	-
Transfers	-	-	-	395,920	395,920
Total Water & Sewer Revenue	\$ 5,582,712	\$ 5,643,060	\$ 6,305,874	\$ 6,839,069	\$ 137,275

* The Town conducted a rate study in Fiscal Year 2022. This budget projects a planned increase in rates effective July 1, 2023 based on the results of the study.

Local Revenue

Permits, Fees & Licenses – this category includes fees for establishing new service, late fees and reconnection fees. The estimate is based on historical revenue. For FY2023, the revenue in this category is estimated to be \$13,005, which is approximately 23.9% more than in FY 2022. The following table shows the current fees:

Fee Type	Fee
New Service	\$25
Security Deposit	\$150 residential & commercial
Late Fee	\$5
Reconnection Fee	\$40

Use of Money & Property - The Town owns two residential properties located on the water plant and reservoir grounds. These properties are leased to Town employees at market rates and adjusted annually based on the Consumer Price Index. The Town also generates revenue from leasing space on the Town's water tower to telecommunications companies. Currently, there are four major carriers.

Interest and investment revenue fluctuate with the general economic conditions and the level of utility fund cash balances. The FY 2023 estimate is decreased compared to FY 2022 to reflect the current and projected interest rate environment.

Charges for Services - The Town currently provides water and sewer services to approximately 5,011 residential and commercial customers. The past year has been fairly static, with a net increase of 64 accounts. The estimated revenue for charges for services in the budget, based on the recommended increase in the Water and Sewer rate study conducted by NewGen, is \$6,285,144, or 92% of the water and sewer budget.

The rate schedule below is adopted for July 1, 2023. Base charges reflect an increase of 7.9%. This equates to a monthly increase of \$1.39 for minimum usage. The average increase for a median user (3,000 gallons per month) will be 9.3%, or \$3.08 per month.

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

Meter Size	In Town Rates		
	Water	Sewer	Total
5/8	\$ 6.43	\$ 12.56	\$ 18.99
3/4	\$ 9.65	\$ 18.84	\$ 28.49
1	\$ 16.08	\$ 31.40	\$ 47.48
1 1/2	\$ 32.15	\$ 62.80	\$ 94.95
2	\$ 51.44	\$ 100.48	\$ 151.92
3	\$ 112.53	\$ 219.80	\$ 332.33
4	\$ 202.55	\$ 395.64	\$ 598.19
6	\$ 417.95	\$ 816.40	\$ 1,234.35
8	\$ 514.40	\$ 1,004.80	\$ 1,519.20

Out of Town Rates		
Water	Sewer	Total
\$ 9.65	\$ 18.84	\$ 28.49
\$ 14.47	\$ 28.26	\$ 42.73
\$ 24.11	\$ 47.10	\$ 71.21
\$ 48.23	\$ 94.20	\$ 142.43
\$ 77.16	\$ 150.72	\$ 227.88
\$ 168.79	\$ 329.70	\$ 498.49
\$ 303.82	\$ 593.46	\$ 897.28
\$ 626.93	\$ 1,224.60	\$ 1,851.53
\$ 771.60	\$ 1,507.20	\$ 2,278.80

Commodity Rate, per 1,000 gallons

Usage	Water	Sewer	Total
>2,000	\$ 7.13	\$ 10.07	\$ 17.20

Water	Sewer	Total
\$ 10.70	\$ 15.11	\$ 25.81

Recoveries & Rebates - Revenues generated in this category are minor in nature and difficult to estimate on other than a historical trend basis. Included are costs expended or incurred, then recovered. This category also includes charges for the sale of meters and other connection materials charged directly to contractors or homeowners. This figure is based on new connections projected for the coming year. The revenue estimate for FY 2023 is \$20,000.

Transfers – Estimates for revenues and expenditures for FY 2023 for the Water and Sewer Operating Fund show a deficit of \$395,920. This requires a transfer from reserves to fully fund the program.

Water and Sewer Operating Expenses

During calendar year 2021, the water and wastewater treatment plants continued to operate within treatment parameters as issued by the Virginia Departments of Health and Environmental Quality. The water treatment plant produced an average of 1,185,048 gallons of potable water per day and the wastewater treatment plant treated approximately 1,980,000 gallons of sewage per day. Both numbers are below the 2.5 million gallons per day permitted for the wastewater plant and the 2.3 million gallons per day (MGD) permitted for the water resources.

The overall operating budget of \$6,839,069 is an increase of \$533,195 over FY 2022. Capital outlay, chemicals, and electrical costs for water/sewer treatment continue to be major expenditures.

The water treatment plant is in its eleventh year of operation since the upgrade to 3.4 million gallons per day capacity. Operations continue to be smooth without any significant issues. A new chemical building was completed at the end of 2020 and was the last major facility upgrade. Staff continues to take advantage of the DEQ discharge permit, which allows a significant portion of the filter backwash water to be returned to the reservoir, a double positive impact of reducing flow to the sewer plant and conserving water in the reservoir. Water production for the past four years has remained fairly constant. There is the potential for increase in demand in the coming year with the developments mentioned above.

The Meter Reading functions with only one person supplemented by help from the Transmission and Distribution division. Over 90% of the meters are remotely or touch read. The remaining manual read meters are being addressed on an individual basis under the operating budget. The metering system is reaching a point that unaccounted water may be due to remote read meters reaching the unit battery life and needing replacement. Thus, the adopted budget includes a significant increase in the section "meters and supplies" line for replacements. New construction units are installed with the latest devices. The material cost of the meter is paid by the builder through the meter fee.

The Transmission and Distribution (T&D) section continues to be on a maintenance related budget with a primary focus on servicing of the extensive and aging water-sewer system and new construction only for minor projects. The program includes more flushing of waterlines, adherence to the established schedule for annual and biannual valve & hydrant inspection and more frequent cleaning of sewer lines to prevent backups. Staff have been employing the CCTV for sewer line inspections and conducting parallel efforts with the Inflow and Infiltration (I&I) rehabilitation contract work to identify inflow and infiltration sources. The meter section has come under the supervision of the T&D superintendent and this year should complete the total integration of Meters and T&D into one division for the next (FY23) budget. The Wastewater Treatment Plant (WWTP) permit requires annual reporting to DEQ on the activities of the collection maintenance and operation maintenance (CMOM)

program by August of each year. This program is being administered by the T&D section. The treatment process at the WWTP was enhanced with the completion of the MBBR project in late 2020.

Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Meter Reading	\$ 153,221	\$ 182,442	\$ 254,519	\$ 298,091	\$ 43,571
Source of Supply	1,132,942	1,044,258	1,372,055	1,508,976	136,921
Transmission &	654,394	712,771	741,402	874,627	133,225
Wastewater Treatment	1,762,170	1,810,558	1,994,934	2,206,344	211,411
W&S Administration	713,412	710,841	983,512	1,195,842	212,330
Debt Service	393,088	382,881	772,236	755,189	(17,047)
Transfer to capital	-	-	187,216	-	(187,216)
Surplus	773,485	799,309	-	-	-
Total Water & Sewer	\$ 5,582,712	\$ 5,643,060	\$ 6,305,874	\$ 6,839,069	\$ 533,195

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

Goals, Objectives, and Measures

Mission: To deliver exceptional government service; To uphold standards established to protect the Public Health, Safety, and Welfare of all residents, business owners, and visitors; To provide an environment where people enjoy living, working, playing, and investing, while providing responsible management of public resources to meet the challenges of today and tomorrow. Provide professional customer service in maintenance and replacement of water and waste water delivery lines and infrastructure.

The following goals and objectives have been identified by the Parks and Recreation Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Produce potable water that complies with all state and federal agencies	• Increase resiliency	• Able to produce water in all conditions
	• Increase Capacity & Quality	• Ensure all water tests are passed
	• Ensure adequate staffing numbers are met	• Able to adapt to increasing Regulations
Ensure all water demands are met	• Ensure demands and delivery capabilities are met	<ul style="list-style-type: none"> • Adequate storage capacity • Infrastructure maintained & in good working order • Ensure adequate chemical stores are on site
Implement the Upgrade and Expansion Report	• Develop CIP and CARP to identify and map out improvements	<ul style="list-style-type: none"> • Gain approval for phase 1 projects • Engage contractors as needed
	• Establish the timeline for upgrades and expansion	• Establish the phase 2 and 3 projects

Water and Sewer Operating - Meter Reading

Program Description

The Meter Reading Division is responsible for the reading of over 4,940 water meters and providing the data to the Finance Department for billing and revenue collection. In addition, the section provides routine maintenance to all customer meters, to include the thawing of frozen meters due to extreme cold weather, the inspections required under the State's cross connection and backflow prevention programs, periodic calibration and replacement of unserviceable meters. The accuracy of readings is critical and enables the Town to collect the optimum amount of revenue possible with the most reliable meter data. The meter calibration testing frequency depends upon their annual usage, wear and tear and potential for revenue loss or generation. Staff also responds to customer concerns relative to unusually high or low water bills and often assists customers in identifying leaks in their service lines or homes and businesses. Staffing level is being maintained at pre-1990 level in this budget. Staff members are trained and help support public works in snow removal operations when needed and are cross trained to support the Transmission and Distribution Section.

Current Staffing

The Meter Reading Division is staffed by one full-time employee with supplemental help from T&D section.

Goals

- Continue to provide a safe work environment with no lost-time accidents.
- To rotate and service bi-annual and tri-annual intermediate commercial water meters within two months of their scheduled rotation.
- Improve system which will reduce the number of door hangers required for notification to customers for delinquent accounts.
- To complete monthly meter readings consistently on the same day each month.
- Notify customers of high usage within one (1) workday of original meter reading.
- Replace dead or low battery meters in a timely manner to limit unaccounted water use within the AWWA standard of less than 11-12%.

FY 2022 Highlights

- Meter reading;
- Customer connection and service response;
- Replaced defective meter materials

Key Projects for FY 2023

- Continue meter replacement program;

- Meter reading;
- Customer service response and use assessments;
- Coordinate with T&D compliance strategy for lead pipe identification and decommissioning

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 64,907	\$ 77,020	\$ 70,144	\$ 77,048	\$ 6,903
Operating	88,314	104,708	184,355	221,023	36,668
Capital	-	714	20	20	-
Total	\$ 153,221	\$ 182,442	\$ 254,519	\$ 298,091	\$ 43,571
Staffing Summary					
Full-time	2.00	1.00	1.00	1.00	0.00

Budget Request / Analysis

The \$298,091 budget for the meter reading division reflects an increase of \$43,571 over FY 2022.

On the operating side, the \$6,903 increase is due to the cost-of-living and merit-based salary increases as well as changes in healthcare elections. No other significant changes have been made to this budget. Operating cost increased \$36,668 over FY 2022 due to increases in the Information Technology and Motor Pool costs, as well as a \$4,470 increase in meters and supplies.

Water and Sewer Operating - Source of Supply

Program Description

The Source of Supply Division is responsible for the safe and efficient operation of the Town's municipal water supply assets, which consist of the water treatment plant, wells and reservoirs. The operation strives to provide safe, aesthetically pleasing, and pleasant-tasting water to meet the demands of the Town's over 5,011 residential and commercial customers. Included in the budget is the continued long-term maintenance and servicing of the three water storage tanks (one 200,000-gallon backwash tank at the treatment plant, the 500,000-gallon elevated tank and the 1,500,000-gallon ground storage tank).

The plant continues to operate 12 to 16 hours per day, 365 days a year. In 2021, the plant and the three operating wells produced an average of 1,234,000 gallons of water a day of good quality, as evidenced by the 2020 annual "Consumer Confidence Report" which was mailed to all customers in June 2021 in accordance with federal law, there were no permit violations or VDH inspection deficiencies during 2020. The calendar year 2021 report is consistent with prior year reports and is being prepared for publication in June 2022. The EPA is constantly evaluating unregulated contaminants for consideration to add to the treatment requirements. Currently, there are no new contaminant requirements.

The plant continues to have the ability to utilize the DEQ Discharge permit to allow between 1.5 and 2.0 million gallons per month of filter backwash water to be returned to the reservoir. This action has a double benefit by recharging the reservoir (particularly during dry conditions) and reducing treatable influent to the wastewater treatment plant, saving on treatment costs and capacity.

Current Staffing

The Source of Supply Division is staffed by six full-time employees, supplemented by part-time staff.

Goals

- To continue to ensure a safe workplace with no lost time injuries.
- No sampling or reporting violations from required sampling at the water plant, wells or in the distribution system.
- Operate the water plant within budget guidelines, maintaining all public health standards.
- Obtain satisfactory ratings on reoccurring major facility inspections by VDH.
- Implement automated chemical feed systems with the new chemical building.

FY 2022 Highlights

- Completed construction and integration of the new chemical building;
- Worked with Risk Manager to establish emergency response and safety protocols;
- Continued to operate at high levels providing excellent water to customers.

Key Projects for FY 2023

- Inspect dams and provide maintenance as required;
- Identify needed upgrades and maintenance and implement as necessary;
- Start construction of new clear wells and pumping station once engineering is completed.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 530,176	\$ 545,313	\$ 595,757	\$ 654,826	\$ 59,069
Operating	582,591	489,997	702,298	780,150	77,851
Capital	20,175	8,949	74,000	74,000	-
Total	\$ 1,132,942	\$ 1,044,258	\$ 1,372,055	\$ 1,508,976	\$ 136,921
Staffing Summary					
Full-time equivalents	5.50	6.45	6.73	6.73	0.00

Budget Request / Analysis

The FY 2023 budget of \$1,508,976 reflects an increase of \$136,921, or 10%, more than the FY 2022 budget.

The personnel category increases by \$59,069, or 9.9%, over current year. This is due to the cost-of-living and merit-based salary increases as well as changes in healthcare elections. No other significant changes have been made to this budget.

The \$77,851 increase in operational costs are due to the twenty percent increase in electricity (\$30,400), an increase in the Information Technology allocation (\$8,136), an increase of \$6,500 for janitorial services, a \$19,000 increase in gasoline, grease and oil, \$5,000 additional for laboratory supplies, and \$5,000 more for repairs.

No increases are budgeted in the capital category.

Water and Sewer Operating - Transmission & Distribution

Program Description

The Transmission and Distribution Division is responsible for the daily maintenance, repair and servicing of over 88 miles of water line and approximately 69 miles of sewer. Activities include repairing main breaks, replacing old and deteriorated water and sewer lines, maintaining water and sewer line easements, clearing obstructions from clogged sewage lines, collecting data with flow meters to identify high areas of inflow and infiltration in the gravity sewage system. The water system is flushed twice a year to remove sediments and minerals from the main lines. The over 751 fire hydrants and valves are serviced annually. To avoid disruption to service due to accidents, the section responded to over 2,600 calls in calendar year 2019 for Miss Utility field locates of water and sewage lines as mandated by law. The disinfection by product rule, and the fact that Warrenton serves a population greater than 10,000, requires a more frequent flushing of the far reaches of the system (especially dead-end lines).

Current Staffing

The Transmission and Distribution Division is staffed by eight full-time employees.

Goals

- Insure a safe workplace with no lost time accidents.
- Maintain distribution system to deliver high quality, safe and reliable water service to all customers.
- Complete water line breaks within 8 hours of notification.
- Through systematic maintenance of sewer lines (inspection and flushing), reduce to zero the occurrences of any sewer back-ups on private property due to obstructions in the lines and particularly, any in which the Town would be responsible.
- No Miss Utility violations of rupturing or cutting of other utility lines.

FY 2022 Highlights

- Waterline leak repairs
- Grease buildup inspection program and sewer line cleaning
- Sewer blockage removals
- Fire hydrant maintenance
- Assistance to WWTP for sludge storage management
- Waterline flushing program
- Waterline and sewer line marking support for miss utility services
- Service line installations

Key Projects for FY 2023

- Continue with cast iron pipe replacement program;
- Sewer rehabilitation & I&I reduction program continuation and support;
- Lead pipe mapping, identification, confirmation, and replacement program;
- Water and sewer connection program

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 514,810	\$ 552,653	\$ 513,855	\$ 623,474	\$ 109,619
Operating	138,384	157,693	203,047	226,653	23,606
Capital	1,200	2,425	24,500	24,500	-
Total	\$ 654,394	\$ 712,771	\$ 741,402	\$ 874,627	\$ 133,225
Staffing Summary					
Full-time	7.00	8.00	8.00	8.00	0.00

Budget Request / Analysis

The FY 2023 budget of \$874,627 for the Transmission and Distribution (T&D) section reflects an increase of \$133,225, or 17.9%, compared to FY 2022.

The personnel category increase of \$109,619 is due mainly to healthcare elections. There was one less employee included in the FY 2022 salary calculation. Aside from the cost-of-living and merit-based salary adjustments, no other significant changes have been made.

The main drivers for the increase in operating costs are the \$12,349 increase to the Information Technology allocation and the \$13,157 increase in Motor Pool costs.

Expenses in the capital category remain the same.

The section continues to focus in the coming year on the maintenance and servicing of the extensive and aging water-sewer system. The program includes flushing of waterlines, adherence to the established schedule for annual and biannual valve & hydrant inspections and more frequent cleaning of sewer lines to prevent backups. The CCTV will see more use in sewer line inspections. The section is conducting a parallel effort to the Inflow and Infiltration (I&I) rehabilitation contract work to identify inflow and infiltration sources. This is the second year of the CMOM program, which is tied to the WWTP discharge permit, but is primarily administered by the T&D section. The residential sump pump remediation is a major objective for the section. Program involves the identifying of pumps that are connected to the sanitary sewer and to assist the homeowner in disconnection and discharge outside the building.

During the year, the Meter Section will be totally combined with the T&D Section to facilitate and economize the services of both sections by the sharing of resources and cross training of personnel.

Water and Sewer Operating - Wastewater Treatment

Program Description

The Wastewater Treatment Plant Division is responsible for processing of the community's sanitary sewage to regulatory standards to protect the downstream environment and user, be that user a private property owner, another city or district, an industry, or a fisherman. Laboratory testing is performed on the wastewater and receiving waters to ensure compliance with receiving stream standards or discharge requirements put in place by the Department of Environmental Quality (DEQ). Testing for Biochemical Oxygen Demand, Total Suspended Solids, Total Residual Chlorine, pH, Dissolved Oxygen, Total Kjeldahl Nitrogen, and Ammonia are tested daily. Annual testing includes the Toxic Monitoring Program, 503 Sludge monitoring, and the annual Pretreatment report submitted by Town staff.

The wastewater plant is rated as a 2.5 MGD Class I facility. Treatment begins at the head works with screening and grit removal, followed by primary sedimentation. The second process involves biological treatment with Rotating Biological Contactors (RBC's), soon to be replaced with Moving Bed Biological Reactors (MBBR). The third phase employs chemical coagulation and flocculation followed by secondary sedimentation. The final stage of treatment includes nutrient removal via deep bed filtration, disinfection with ultraviolet lamps, and post aeration before discharge into the unnamed tributary to Great Run. Sludge that is generated by the treatment process is anaerobically digested, dewatered by a 2-meter belt press, hauled away by an outside contractor and land applied. In addition to the operation of the wastewater treatment plant, the section is also responsible for the operation and maintenance of eight sanitary sewer pump stations.

Current Staffing

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

Goals

- To insure a safe workplace with no lost time accidents.
- Operate the plant within the guidelines of the VPDES discharge permit with no notice of violations or warning letters.
- Continue to operate the plant with the minimum staffing of two 8-hour shifts.
- Pass the annual DEQ lab inspection without any "qualifiers".
- Minimize foul odors and complaints received.
- Smooth biological treatment process conversion from RBCs to Moving Bed Biological Reactors (MBBR).
- No by-pass or overflow violations from pump stations or WWTP facility operation.

FY 2022 Highlights

- Completed construction of the MBBR (Moving Bed Biological Reactor);
- Established outline for maintenance and replacement for all elements of the facility.

Key Projects for FY 2023

- Support to Transmission and Distribution section and contractor in targeting areas for inflow and infiltration (I&I) rehabilitation/abatement.
- Implement key elements of the recommendations of the WWTP upgrade and expansion report provided by Whitman, Requardt and Associates, LLP

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 714,238	\$ 801,172	\$ 812,683	\$ 873,675	\$ 60,992
Operating	1,047,884	1,009,386	1,174,251	1,324,670	150,419
Capital	48	-	8,000	8,000	-
Total	\$ 1,762,170	\$ 1,810,558	\$ 1,994,934	\$ 2,206,344	\$ 211,411
Staffing Summary					
Full-time equivalents	9.97	10.7	10.97	10.97	0.00

Budget Request / Analysis

The FY 2023 budget of \$2,206,344 represents an increase of \$211,411, or 10.6%, compared to the FY 2022 budget.

The \$60,992 increase in the personnel category reflects only the cost-of-living and merit-based salary increases and healthcare changes. No other changes were made in this category.

The main drivers for the \$150,419 increase in operating expenses are the following: \$55,000 in electricity, \$20,000 in repairs, \$35,686 in the Information Technology allocation, \$20,000 more for repairs and equipment, \$7,500 for janitorial services, and \$15,000 in chemicals and supplies.

No changes have been made in the capital category.

Water and Sewer Operating - Administration

Program Description

This Administration Division budget houses costs associated with the Public Utilities Administrative Section. The Director of Public Works/Utilities manages the overall operation of water production and wastewater treatment, water line construction and maintenance, meter reading, and capital projects. This budget also funds the administrative activities at Town Hall associated with the billing for water/sewer services and the accounting for the enterprise fund. The department is responsible for the management and oversight of the other utility budgets. It is the mission of the department to ensure safe drinking water and environmentally compliant wastewater treatment to protect public health and to keep the public informed through the annual "Consumer Confidence Report".

Current Staffing

The Administration Division is staffed by two full-time employees- the Utilities Billing Coordinator and a Senior Administrative Assistant. The Deputy Director – Utilities and . Also included are the allocations of nineteen general government position salaries that support the water and sewer operating fund.

Goals

- Submit all monthly and re-occurring reports mandated by state and federal agencies with 100% accuracy and on time.
- Refine the Collection Maintenance and Operation Maintenance (CMOM) Program that was initiated in 2018.
- Look for opportunities to integrate utility operations with the MS4 objectives, particularly in the nutrient removal area.
- Maintain fiscal accountability/stewardship of the Town's resources at all times.
- Educate water customers on program policies and procedures as they relate to water and sewer issues by utilizing the Town's newsletter.
- Continue to analyze water losses, investigate new detection methods and pursue any methods, which can help reduce unaccounted for water losses.
- Provide master planning for Capital Improvements to ensure the utility infrastructure stays ahead of the growth of the community and demands of the customers.
- Ensure utility operations remain in compliance with all regulatory agencies (VDH, DEQ, EPA, etc.)

FY 2022 Highlights

- Reviewed Development Plans involving water and sewer infrastructure;

- Warrenton Dam Permit Renewal- Coordinated with Consultant for submittal to DCR;
- Continued to work with the I&I Rehabilitation Specialist for I&I Reduction;
- Coordinated with consultant for Preliminary Engineering Report for the WWTP Solids Handling Improvements;
- Worked with DEQ for the renewal of the WWTP Permit

Key Projects for FY 2023

- Dam Improvements Study and permit renewal;
- Preliminary Engineering Report, WWTP Solids Handling & future upgrades;
- Water station construction;
- Water plant improvement planning;
- Continue I&I Reduction Program;
- Support to Planning staff for analysis of utility services to proposed boundary line adjustment

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 533,259	\$ 526,104	\$ 737,582	\$ 958,457	\$ 220,876
Operating	180,153	184,737	242,931	234,385	(8,545)
Capital	-	-	3,000	3,000	-
Total	\$ 713,412	\$ 710,841	\$ 983,512	\$ 1,195,842	\$ 212,330
Staffing Summary					
Full-time equivalents	5.50	4.98	4.98	8.20	3.22

Budget Request / Analysis

The FY 2023 budget of \$1,195,842 shows an increase of 21.6% over FY 2022. On the personnel side, the \$212,330 increase is 29.9% higher than FY 2022. This increase is largely due to the following new position requests- Deputy Director – Utilities, Engineer, Junior Engineer, and Project Coordinator. The following table shows all positions with a percentage allocation to the Water and Sewer Administration fund:

Position	Department	Fund		
		W&S Fund	General Fund	SWM Fund
Sr. Administrative Assistant	Public Works Admin	100%	0%	0%
Utilities Billing Coordinator	Finance	100%	0%	0%
Deputy Director - Utilities	Water & Sewer Admin	50%	0%	50%
Project Coordinator	Public Works (Capital)	50%	20%	30%
Engineer	Water & Sewer	50%	20%	30%
Director- Public Works and Utilities	Public Works Admin	50%	50%	0%
Deputy Director- PW and Utilities	Public Works Admin	50%	20%	30%
Junior Engineer	Water and Sewer Admin	50%	20%	30%
Emergency Services/ Risk Manager	Emergency Services	50%	50%	0%
Budget Manager	Finance	50%	50%	0%
Procurement Coordinator	Finance	50%	50%	0%
Payroll Coordinator	Finance	40%	60%	0%
Accounts Payable Coordinator	Finance	30%	70%	0%
Revenue and Collections Manager	Finance	30%	70%	0%
Director- Finance and Procurement	Finance	30%	70%	0%
Customer Service Representative (FT and PT)	Finance	30%	70%	0%
Human Capital Manager	Human Capital	25%	75%	0%
Sr. Administrative Assistant	Public Works	25%	75%	0%
Town Manager	Town Manager	20%	80%	0%
Executive Assistant	Town Manager	20%	80%	0%
Fleet/ Facilities Manager	Public Works Admin	20%	80%	0%

The operating expense category shows an \$8,545 decrease due to decreased Motor Pool expenses.

Staff continues to work with consultants in improving plant operations, identifying infrastructure upgrades and evaluating the water and sewer system impacts of developments on the system's ability to serve. Staff also continues to monitor and investigate operational improvements to enhance nutrient removal in the WWTP treatment process - the objective being to not just meet the permit limits, but also to generate nutrient credits for the Town's MS4 Stormwater mandate. In 2019 the plant easily met the 4 mg/l nitrogen permit limit with an average of less than 3 mg/l which generated nutrient credits to be applied to the MS4 Stormwater Program. Evaluations to improve the WWTP solids handling is a key element of the Adopted program with the dual objective of timely scheduled component replacements and the potential plant capacity increase in the 2021/2022 permit renewal cycle.

Staff continues to evaluate operations to balance production, staffing and demands to better serve the Town. A main objective of staff is to ensure there are adequate utility resources to support community build-out requirements. Staff, working with billing and accounting, continues to seek update meter technology/software for customer service. The professional services line item is for outside consulting assistance to help resolve problems and help with identifying future program requirements primarily for the water and wastewater treatment plant operations.

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

Water and Sewer Operating - Debt Service

This category includes principal, interest and related charges associated with the issuance of long-term debt for capital improvements. Total debt service for FY 2023 is \$755,189.

In FY 2022, two outstanding bonds were refunded. The Series 2021B bond refunded the outstanding balance of the 2016 GO bond and the Series 2021A bond refunded the outstanding balance of the 2018 GO bond.

In FY 2023, the Series 2021B bond calls for a principal payment of \$140,000 and interest payments totaling \$138,169. Debt service for the Series 2021A bond consists of a principal payment of \$292,000 and interest payments totaling \$185,020.

Water and Sewer Operating - Transfers

The surplus of operating revenues over expenses is transferred to the Water and Sewer Capital Fund. There is no surplus projected for FY 2023, so no transfer has been programmed into the budget.

WATER AND SEWER CAPITAL FUND

Overview

The Town's Water and Sewer Capital Fund is an enterprise fund that accounts for revenue earmarked for capital improvements and the costs associated with those improvements.

Summary of Water and Sewer Capital Budget

<u>Revenue</u>	<u>FY 2022 Adopted</u>	<u>FY 2023 Proposed</u>	<u>Increase / (Decrease)</u>
Interest Revenue	\$ 10,000	\$ 1,000	\$ (9,000)
Availability Fees	708,750	712,294	3,544
Proceeds from Indebtedness	-	1,876,133	1,876,133
<u>Transfers & Reserves</u>	<u>1,938,520</u>	<u>1,521,675</u>	<u>(416,845)</u>
Total W/S Op. Revenue	<u>\$ 2,657,270</u>	<u>\$ 4,111,102</u>	<u>\$ 1,453,832</u>
<u>Expenses</u>			
Asset Replacement	\$ 1,550,900	\$ 2,763,000	\$ 1,212,100
Capital Projects	1,106,370	1,348,102	241,732
Transfer to Surplus	-	-	-
<u>Debt Service</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total W/S Capital	<u>\$ 2,657,270</u>	<u>\$ 4,111,102</u>	<u>\$ 1,453,832</u>

Water and Sewer Capital Revenue

Interest Revenue

This category accounts for investment earnings from Water and Sewer funds invested with the Local Government Investment Pool and the Virginia Investment Pool. Estimates in this category were higher for the past few years while the Town was drawing down bond proceeds invested in the Virginia State Non-Arbitrage Program. For FY 2023, \$1,000 is programmed into the budget.

Availability Fees

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

Non-revenue receipts are difficult to estimate and are directly related to new development or new construction in the Town and within its service area. This category reflects a total of \$712,294 for FY 2023 based on expected activity related to adopted developments. There are a number of potential projects in the initial planning stage, which if accelerated could provide additional revenue. This category represents 17.3% of the water and sewer capital budget.

Proceeds from Indebtedness

The Water and Sewer Rate Study assumes the issuance of long-term debt to fund capital improvements. The assumed principal amount for FY 2023 is \$1,913,656, which would make \$1,876,133 available for FY 2023.

Transfers / Use of Reserves

For FY 2023, the required transfer from reserves to fund the remainder of the capital program is \$1,521,675.

Water and Sewer Capital Expenses

This budget includes funds for replacement and major repair of existing assets and construction of new projects under the Council’s guidelines for capital projects and purchases of new equipment for water and sewer operations. The Water and Sewer Capital Budget for FY 2023 is \$4,111,102. Further detail for each category is provided in the Capital Improvement Plan.

Water and Sewer Capital Expenses

<u>Expense</u>	<u>FY 2023 Proposed</u>
Asset Replacements & Major Repairs	\$ 2,763,000
Capital Projects	1,348,102
<u>Transfer to surplus</u>	-
Total	\$ 4,111,102

Water and Sewer Asset Replacements/ Major Repairs:

Water and Sewer Asset Replacement/Major Repairs

<u>Asset</u>	<u>FY 2023 Proposed</u>
Cast Iron Waterline Replacement Program	\$ 470,000
I&I Reduction Program	500,000
Waterline Replacement-Rappahannock St	450,000
Waterline Replacement Mt Tank	35,000
Warrenton Reservoir Dam	100,000
Post Aeration Tank	25,000
Existing UV Disinfection	300,000
GST Upgrades	350,000
Facilities Physical Security	30,000
Roof Replacement	20,000
Energy Management	25,000
Facilities Asphalt Resurfacing	70,000
Fleet Management Vehicle: Dump Truck	205,000
Fleet Management Vehicle: Skid Steer & UTV	135,000
Fleet Management Vehicle: Compressor	28,000
<u>Fleet Management Vehicle: Message Board</u>	<u>20,000</u>
TOTAL	\$ 2,763,000

Water and Sewer Capital Projects:

Cast Iron Waterline Program (\$470,000): The Town's water distribution system has 18 miles of cast iron pipe ranging in age from 40-80+ years. Although cast iron is serviceable beyond 80 years, staff will evaluate and schedule for replacement of problematic sections of the system that are experiencing increasing breaks and maintenance requirements. These are the first of a multi-year waterline replacement program to replace the older cast iron water mains with ductile iron pipe. Other locations of specific sections of pipe for replacement will be based on most recent break and maintenance records to set priorities.

I&I Program (\$500,000): The FY23 project is to build on prior years efforts, focused on finding problem areas and recommending rehabilitation methods with some remediation work completed. This year and beyond is the continuation of that process. FY21 and FY22 was postponed due to the COVID-19 pandemic.

Waterline Replacement- Rappahannock Street (\$450,000): Replace existing watermain on Rappahannock Street that is cast iron with ductile iron, which will improve fire flows and reduce pipe breakage repairs. Ductile iron pipe is more resilient and is not as susceptible to main breaks and water loss.

Waterline Replacement- Mountain Tank (\$35,000): Replacement of 1,728 feet of 8-inch cast iron water line from the Town's Mountain Storage Tank to the Silver Cup Development. Present waterline is cast iron pipe. Waterline is to be replaced with new ductile iron pipe, which is more reliable and has a longer life. This project will complete the replacement from the tank to Gold Cup Drive into Town, adding reliability to the water system from the mountain tank to the western area of Town.

Warrenton Reservoir Dam (\$100,000): Engineering evaluation, design, and future needs for the Warrenton Dam. Considerable study is needed to address feasibility and comply with environmental impact and mitigation. A downstream inundation study from a potential break was conducted in FY17 and a structural analysis is required to determine the needs of the existing dam or if a new dam structure will be required.

Post Aeration Tank Upgrade (\$25,000): Post aeration of effluent to ensure Dissolved Oxygen level meets DEQ Permit Regulations.

UV Disinfection (\$300,000): Replace current outdated ultraviolet disinfection with more modernized technology.

Gravity Sludge Thickener (GST) Upgrades (\$350,000): To ensure solids are thickened prior to Primary Digester.

Facilities Physical Security (\$30,000): Update of the facilities' physical security. These are measures that are designed to deny unauthorized access to facilities, equipment, and resources and to protect personnel and property from damage or harm (such as espionage, theft, or terrorist attacks).

Roof Replacement (\$20,000): Replacement of roofing systems that are at the end of life. FY23 replacements will include one of the rental properties on Blackwell Road.

Energy Management (\$25,000): Formation of an energy management program to address excessive energy consumption of aging buildings' thermal envelopes. The buildings need updates to include, but not limited to, motion lighting, LED lights, energy efficient windows, efficient water heating, updated insulation, air sealing, etc. FY23 projects will include the replacement of four water heating units: two in the General Fund and two in the Water and Sewer fund and windows at the Blackwell Road rental property.

Facilities Asphalt Resurfacing (\$70,000): Resurfacing of asphalt parking and roadways within facilities. FY 2023 will include the water treatment plant.

Fleet Replacement Program (\$388,000) – For FY 2023, the fleet replacement program includes a replacement of a dump truck, a skid steer and UTV, a compressor, and a message board.

Water and Sewer Capital Projects

Water and Sewer Capital Projects

<u>Project</u>	<u>FY 2023 Proposed</u>
Sewer Connection & Septic Program	\$ 73,133
Utility Connection Program	20,000
Broadview Waterline Betterment	62,812
WTP Clearwell Project	834,000
Water Fill Station	253,157
Facility Renovation	105,000
TOTAL	\$ 1,348,102

Sewer Connection & Septic Program (\$73,133): Sewer Connection and Septic Program is for citizens to connect to public sewer or water under the Town's current Service Connection Fee Structure. This program is primarily targeted where existing sewer and water infrastructure is in place. Approximately 150 units are not connected Town-wide.

Utility Connection Program (\$20,000): The Utility Connection Program seeks to ensure all residents who desire to hook up to public water and sewer have an available line. For example, a portion of Old Meetze Road, East Street, Richard's Lane, and Broadview Avenue near the Town boundary do not have public waterlines. None of these locations have been surveyed or engineered, so projected budgets are only a placeholder for planning.

Broadview Waterline Betterment (\$62,812): As part of the Broadview Road Improvements project, the Town is planning to make improvements to the Water Distribution System for improved service to businesses and better fire protection.

WTP Clearwell Project (\$834,000): Study, design, and installation of a clearwell at the Water Treatment Plant or storage within the distribution network. This will allow for additional resiliency.

Water Fill Station (\$253,157): Design and installation of an automated bulk water dispensing station for supplying water to pool and landscaping trucks at the Fauquier County Landfill. Project will include ingress and egress access road, small building with control valving and pay station, at the end of the water main serving the landfill.

Facility Renovation (\$105,000): The Water Treatment Plant has old chemical equipment and piping that must be removed before any construction of new areas.

STORMWATER MANAGEMENT FUND

Program Description

Because stormwater runoff is the most common cause of water pollution, state and federal clean water statutes require localities to have programs related to stormwater runoff and protecting their water resources. The Town of Warrenton is an MS-4, or a Municipal Separate Storm Sewer System, and is permitted to levy a stormwater utility fee to pay for the program. The fee was established by ordinance during the FY 2021 budget process, but Council delayed collection due to the COVID-19 pandemic. The collection of this fee began in FY 2022, and the Stormwater Management Fund was established as an enterprise fund to sustain the program.

Water and Sewer Capital Expenses

<u>Revenue</u>	<u>FY 2022 Adopted</u>	<u>FY 2023 Proposed</u>	<u>Increase / (Decrease)</u>
SWM Fee	\$ 800,000	\$ 788,083	\$ (11,917)
SLAF Grant (State)	-	48,989	48,989
SLAF Grant (Federal)	178,599	1,120,795	942,196
<u>Transfers & Reserves</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total SWM Revenue	<u>\$ 978,599</u>	<u>\$ 1,957,867</u>	<u>\$ 979,268</u>
 <u>Expenses</u>			
Operations	\$ 328,876	\$ 608,843	\$ 279,966
Capital Projects	316,408	943,908	627,500
Transfer to Reserves	333,315	405,755	72,440
<u>Debt Service</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total SWM Expenses	<u>\$ 978,599</u>	<u>\$ 1,958,505</u>	<u>\$ 979,906</u>

Stormwater Management Operating Revenue

Stormwater Management Fees – this fee is a “fee for service” based on the cost to manage stormwater that runs off impervious surfaces, such as roofs and parking areas. Developed single family residential properties fall into one to three rate tiers based on the total impervious area of the property. Impervious area refers to solid surfaces on a

property that will not allow rainwater to seep into the ground (e.g. – building and parking areas). The following table shows the current fees:

Tier	Impervious Area (sq. feet)	Fee Per Month
Tier 1	400 – 1,299	\$5.55
Tier 2	1,300 – 4,499	\$6.94
Tier 3	4,500 +	\$17.37

Non-residential fees are based on the overall impervious area of a parcel divided by the equivalent residential unit of 2,200 square feet and then multiplied by \$5.55 per month.

The fees are billed twice each year on the Town’s real estate tax bill. The bills are due on June 15th and December 15th. The fee will generate \$788,083 in FY 2023. The amount is less than what was budgeted for FY 2022 due to the adoption of an ordinance by Council that waives the fee for those in the tax relief for the elderly program.

Grant Revenue – Two capital projects included in the FY 2023 CIP are eligible for grants: the Garrett Street Pond Retrofit and the 5th Street Parking Lot Bioswale. The total amount for FY 2023 is \$1,169,784.

Stormwater Management Fund

Current Staffing

This division is staffed by three full-time employees- the Stormwater Administrator, a Stormwater Inspector, and a GIS Technician. In addition, 50% of the Deputy Director of utilities, 30% of an Engineer, Project Coordinator, and Junior Engineer; and 20% of the Deputy Director for Public Works and Utilities are budgeted in the Stormwater Management Fund. Finally, 25% of the Tax Administrator and Zoning Official are budgeted here.

Goals

- Pass the annual DEQ program inspection and audit without any qualifiers.
- Obtain additional nutrient credits/ reductions towards the 40% program goal by 2023.
- Take advantage of grant funding opportunities for capital projects.

FY 2022 Highlights

- Established the first stormwater utility fee;
- Re-established the tree board and gained Tree City USA for another year;

- Met all required Municipal Separate Storm Sewer System (MS4) state reporting and Total Maximum Daily Load (TMDL) limits;
- Met all required Virginia Stormwater Management Program (VSMP) and Construction General Permits (CGP) state reporting;
- Continued searching for grant applications to help the Town's Stormwater Management Program;
- Continued working with volunteers to participate in Town's education and outreach programs.

Key Projects for FY 2023

- Continue answering drainage issues and SW utility fee questions to citizens;
- Continue maintaining tree board and Tree City USA programs;
- Continue reporting MS4, TMDL, VSMP, and CGP requirements to Virginia Department Environmental Quality (VDEQ);
- Continue working with the community to find new ways to educate citizens about the stormwater and outreach programs;
- Continue building a digital stormwater inventory;
- Execution of stormwater Town's projects and reporting the following reductions to the state.

Budget Summary

Department	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ -	\$ -	\$ 245,099	\$ 476,749	\$ 231,650
Operating	-	-	83,477	131,455	47,978
Capital	-	-	316,408	943,908	627,500
Transfer to reserves	-	-	333,315	405,072	71,757
Total	\$ -	\$ -	\$ 978,299	\$ 1,957,184	\$ 978,885
Staffing Summary					
Full-time	0.00	0.00	2.00	5.10	0.00

Budget Request / Analysis

The FY 2023 budget of \$1,957,184 represents an increase of \$978,885, or over 100%, compared to the FY 2022. The \$231,650, a 94.5% increase over FY 2022, is due to the allocation of additional positions outlined in the Current Staffing section.

Asset replacement and capital projects include the following:

Stormwater Management Asset Replacement

<u>Asset</u>	<u>FY 2023 Proposed</u>
Stormwater Garret St Pond Retrofit	\$ 150,100
TOTAL	\$ 150,100

Stormwater Garrett St. Pond Retrofit (\$150,100): Project involves the conversion of existing SWM/BMP structures in the Town to enhance nutrient removal to achieve the goals set in the Total Maximum Daily Load (TMDL) under the DEQ MS4 Stormwater Program. Proposed methods will be the installation of pond fore-bays, modification of intake structures, and other approved methods outlined in the BMP clearing house. FY23 budget includes initial planning and design work to construct for future years to retrofit the Town-owned SWM pond at Garrett Street and Shirley Avenue for removal of acquired sediments to the original pond contours, installation of forebay, and planting of wetlands vegetation. Funding to help with this project has been awarded from the NFWF and the Commonwealth's SLAF in the amount of \$129,610.

Stormwater Management Capital Projects

<u>Project</u>	<u>FY 2023 Proposed</u>
Stormwater 5th St Parking Lot Bio Swale	\$ 103,498
PW Shop and Yard	265,625
Stream Restoration, Lee Hwy. / Hampton	424,684
TOTAL	\$ 793,807

Stormwater 5th St. Parking Lot Bio Swale (\$103,498): As part of a Green Infrastructure project that was designed by the Center for Watershed Protection under a Green Infrastructure Grant, a stormwater collection and treatment Bio-Retention facility is proposed. Funding to help with this project has been awarded from the NFWF in the amount of \$48,989.

Public Works Shop and Yard (\$265,625): In order to comply with the Town's SWPPP for the existing shop facility needs to implement improvements. This project will provide planning and design for site grading, surfacing and drainage improvements to capture runoff and route through new BMP to treat surface water prior to discharge to adequate channel. The Town will apply for SLAF Grant to help fund this project.

Stream Restoration, Lee Hwy. / Hampton (\$424,684): As part of the Town's MS4 Permit, it is required to develop credits for stream bed improvements as well as

credits for nutrient reductions. The Town has a significant unnamed tributary to Cedar Run that parallels Lee Highway from Blackwell Rd and flows to the Route 29 Bypass. While the Town does not own all this property through which this stream flows, it does offer an opportunity to work in a cooperative manner with those property owners to prepare a stream restoration project that can both enhance the environment and provide credits. The MS4 permit was renewed, and the Town is now in a new five-year cycle that will need to have justified 40% of the total nutrient reduction credits, by 2023. 2028 will be the end of the 3rd permit cycle where the Town will need to meet 100% of its target reductions. The Town received a SLAF grant (\$991,185) to help fund this project.

Goals, Objectives, and Measures

Mission: To deliver exceptional government service; To uphold standards established to protect the Public Health, Safety, and Welfare of all residents, business owners, and visitors; To provide an environment where people enjoy living, working, playing, and investing while providing responsible management of public resources to meet the challenges of today and tomorrow. Manage and implement an effective MS4 and Stormwater program designed for maximum credits and effectiveness.

The following goals and objectives have been identified by the Parks and Recreation Department. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Construction of Garret St Pond Retrofit, 5th St Parking Lot Bio Swale, and Public Works Shop and Yard Improvements projects; design of Stream Restoration, Lee Hwy. / Hampton Inn project.	<ul style="list-style-type: none"> Reduce pollution generated and minimize potential impact of SW runoff, soil erosion, and flooding 	<ul style="list-style-type: none"> Design and approval plans. Bid and Construction activities. BMP Maintenance activities.
	<ul style="list-style-type: none"> Achieve TMDL reductions for following MS4 reporting periods and future permit cycle. 	<ul style="list-style-type: none"> State reporting.
	<ul style="list-style-type: none"> Utilize grants to mitigate costs as much as possible. 	<ul style="list-style-type: none"> Search Grant payment submissions. Contractor payment requests.
	Stormwater inventory	<ul style="list-style-type: none"> Continue building an accurate digital storm sewer system
Stormwater and Outreach programs	<ul style="list-style-type: none"> Continue working with the community to find new ways to learn about the stormwater. 	<ul style="list-style-type: none"> Elaborate additional documentation, manuals, and guidance.
	<ul style="list-style-type: none"> Stream cleanup events, stormwater medallion program, stormwater pollution poster competition. 	<ul style="list-style-type: none"> Stream cleanup events. Drain medallions installed. SW poster competition - Winner Released.
	<ul style="list-style-type: none"> Utilize grants to mitigate costs as much as possible. 	<ul style="list-style-type: none"> Search for new grants.
Respond to drainage issues and SW utility fees.	<ul style="list-style-type: none"> Use system to receive phone calls/emails and promptly 	<ul style="list-style-type: none"> Number of complaints annually received.
	<ul style="list-style-type: none"> Transfer incident to proper authority and promptly investigate. Ensure all drainage issues and SW utility fee questions are answered. 	<ul style="list-style-type: none"> Collect appropriate forms/information from staff. % of complaints annually solved.
	<ul style="list-style-type: none"> Develop a strategic plan to minimize SW and drainage complaints. Update website, clean storm drains, sweep streets, pro-active inspections to the storm sewer systems, constructions sites, etc. 	<ul style="list-style-type: none"> Lbs of sediments collected. Miles swept. Number of inspections performed.
		<ul style="list-style-type: none"> Elaborate additional documentation, manuals, guidance.

FLEET/ MOTOR POOL FUND

Program Description

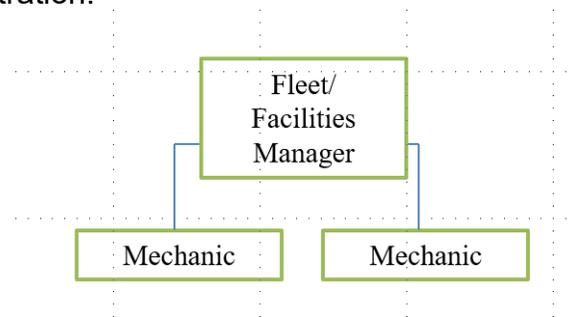
The Fleet/Motor Pool Department has been realigned to report directly to the Public Works and Utilities Director. This is designed to provide better oversight in operations and to ensure equity in all Fleet operations for all Departments.

The Fleet/Motor Pool Department strives to provide an efficient, complete fleet management program, which responsibly fulfills the vehicle and equipment needs of the various Town departments through cost-effective practices and dedicated personal service. The motor pool staff has responsibility for the maintenance of all Town vehicles and pieces of equipment (approximately 193 total - ranging from police cars to refuse trucks, and other equipment such as backhoes, chain saws and weed eaters).

The Motor Pool Fund is classified as an internal service fund. Internal service funds provide services to Town departments. Expenses incurred by the Motor Pool department are allocated on a regular basis to other Town departments based on actual usage.

Current Staffing

The Motor Pool is staffed by three full-time employees. The Fleet/ Facilities Manager's salary is allocated 45% to Motor Pool, 35% to Public Works Administration, and 20% to Public Utilities Administration.



Goals

- Provide honest, responsive, effective and efficient fleet services to our customers.
- Maintain technical and professional excellence while serving internal & external customers.
- Ensure Motor Pool assets are utilized efficiently and replace high life cycle cost fleet assets to save dollars for the Town.
- Procure & maintain vehicles that are safe, reliable, and environmentally sound, at competitive prices.
- Effectively provide adequate training to keep employees updated with new technology.
- Maintain and update as needed the Town's Fleet Management Program.

FY 2022 Highlights

- Delivered a complete fleet preventative maintenance and repair program;
- Adapted fleet operations to absorb the facilities maintenance into one cohesive program
- Began the process of creating a Facilities and Fleet Management Division (FFM) within Public Works & Utilities
- Began the implementation of a multi-use swappable truck body system to reduce truck down time.

Key Projects for FY 2023

- Continue implementation of the Facilities & Fleet Division Merger with the addition of industrial staff from our Utility Plants;
- Address environmental concerns for Facilities by developing policies and procedures pertaining to environmental and sustainable initiatives;
- Develop a Facilities Strategic and Master plan to guide the division in its daily work;
- Continue to implement the capital asset replacement plan with improved efficiencies in mind

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 212,855	\$ 207,974	\$ 230,372	\$ 275,398	\$ 45,026
Operating	294,187	296,845	349,672	358,565	8,893
Capital	14,912	2,657	7,000	7,000	-
Total	\$ 521,954	\$ 507,476	\$ 587,043	\$ 640,963	\$ 53,919
Staffing Summary					
Full-time	2.45	2.45	2.45	2.45	0.00

Budget Request / Analysis

The FY 2023 budget for the Motor Pool is \$640,963, which is an increase of \$53,919, or 9.2%, over the FY 2022 budget.

The personnel category shows an increase of \$45,026, which is an 19.5% increase over FY 2022. One of the main drivers for this increase is the upgrade of the Chief Mechanic to Fleet/ Facilities Manager. This employee will now manage all fleet and facilities operations. In addition, salary increases have been budgeted for the two Mechanics. Finally, changes in employee healthcare elections led to a \$14,137 increase over FY 2022.

The operating category has increased by \$8,893 over the FY 2022 budget. This division was able to minimize the effect of the increased costs of tires, tube, and other parts by transferring funding from maintenance contracts.

The capital category shows no increase over FY 2022.

Labor, contractual repairs and repair parts are tracked by vehicle and charged directly to the other department accounts throughout the year as repairs and services are performed. The current internal labor charge is \$64 per hour compared to the local dealership rates that range from \$85-\$105 per hour. An additional \$14.50 per hour is charged for shop supplies and other motor pool expenses. The total allocation to other funds is shown below:

Fund	Amount
General Fund	\$539,298
Water and Sewer Operating Fund	101,472
Information Technology	193
Total	\$640,963

Goals, Objectives, and Measures

Mission: The Mission of the Division of Facilities & Fleet Management (FFM) is to support the operations of other Town of Warrenton departments and agencies by providing high-quality and cost-effective asset management and services. FFM ensures the safe and efficient use of the Town of Warrenton’s assets through effectively managing the maintenance and repair of vehicles, equipment, and properties occupied by the Town. Our finished products and services shall meet or exceed industry standards, best practices, and the expectations of our user departments.

The following goals and objectives have been identified by the Facilities and Fleet Management. Performance metrics have also been named, but the department will begin to track them in FY23.

Goals	Objectives	Performance Metrics
Fully automate work order requests and streamline repair process	<ul style="list-style-type: none"> • Train all user departments to utilize our computerized maintenance management software 	<ul style="list-style-type: none"> • Request online submission rate
	<ul style="list-style-type: none"> • Deliver real-time updates to user departments 	<ul style="list-style-type: none"> • Percentage of call backs on repair status
	<ul style="list-style-type: none"> • Respond to all non-urgent work requests within 3-5 working days 	<ul style="list-style-type: none"> • Work order response times • Average repair times for all tasks
Expand lifespan of equipment and assets, while also meeting compliance and safety standards	<ul style="list-style-type: none"> • Review historical data in the CMMS and only replace as-needed 	<ul style="list-style-type: none"> • Number of years each asset's life can be extended
	<ul style="list-style-type: none"> • Update the CARP to reflect a replacement zone vs a set replacement date/year 	<ul style="list-style-type: none"> • Reduction in replacement costs
	<ul style="list-style-type: none"> • Provide a complete and comprehensive preventative maintenance program 	<ul style="list-style-type: none"> • Ratio of preventative vs. reactive maintenance • Planned maintenance completion rates
Provide a safe and healthy environment at all town owned or operated facilities	<ul style="list-style-type: none"> • Ensure all restroom's are clean and in order. 	<ul style="list-style-type: none"> • % of complaints annually • Facility availability rate
	<ul style="list-style-type: none"> • Provide consistent building temperature control 	<ul style="list-style-type: none"> • Staff comfort level

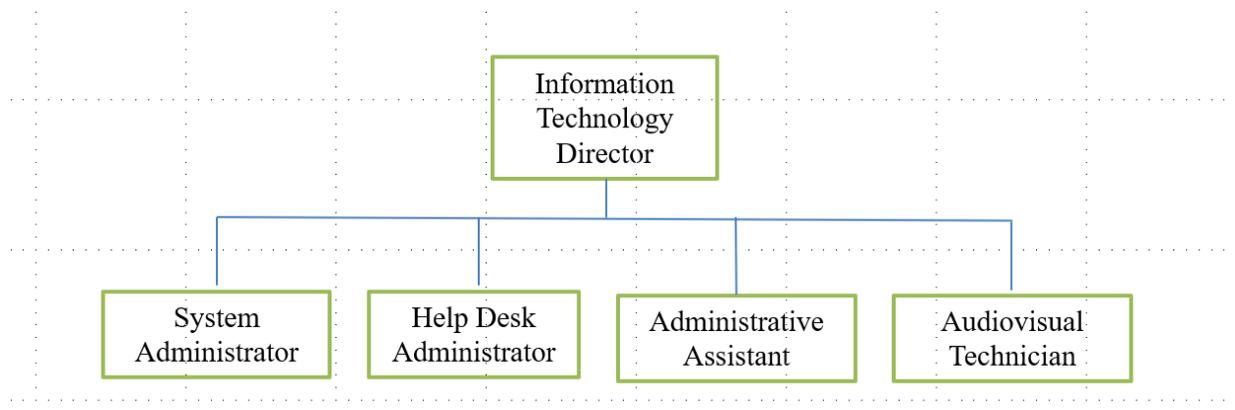
INFORMATION TECHNOLOGY FUND

Program Description

This fund includes all information technology costs that are non-specific to any departmental program or effort. These costs are allocated to using departments based upon the number of network users in that department. Departmental specific information technology costs are shown in the appropriate department's line items of Professional Services, Maintenance Contracts or Computer Equipment.

Current Staffing

Since 2016, the Town has worked to establish an in-house Information Technology Department with certain functions outsourced to specialists. In FY 2020, the Town hired a full-time System Administrator. In FY 2021, the Town hired a full-time Help Desk Administrator, and the Administrative Assistant position went from a Part-time position to a full-time position. Most recently, a full-time Audiovisual Technician was added mid-year in FY 2022 to handle the increased audio and visual requirements of the Town.



Goals

- To provide a stable, reliable and secure network to support the Town's information technology needs.
- To provide excellent customer service to all internal and external information technology customers.
- To identify upcoming information technology needs and plan for smooth and cost-effective implementation.

FY 2022 Highlights

- Redesigned the Town of Warrenton's website to make it more resident- and business- friendly.

- Provided security protocols for Office 365 for best practices on our security framework.
- To offer better accessibility and transparency, the Town selected a vendor to deliver an external website to receive all FOIA requests. The new website allows citizens to submit and track their requests directly.
- Upgraded cemetery software which was end of life
- Increased automation and transparency.
- Upgraded Public Works phone system from analog phone system to a VoIP system

Key Projects for FY 2023

- Continue to search for solutions that increase transparency and automation;
- Improve business process workflows for both employees and citizens;
- Support the implementation of budgeting system.

Budget Summary

Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Proposed	Change
Personnel	\$ 201,630	\$ 352,540	\$ 385,184	\$ 523,686	\$ 138,503
Operating	179,151	250,629	874,511	1,215,848	341,338
Capital	41,935	40,730	46,638	52,000	5,362
Total	\$ 422,716	\$ 643,898	\$ 1,306,333	\$ 1,791,535	\$ 485,202
Staffing Summary					
Full-time	1.00	2.73	4.00	5.00	0.00

Budget Request / Analysis

The FY 2023 budget for the Information Technology Fund is \$1,791,535, an increase of \$485,202, or 37.1%, compared to the FY 2022 budget. This amount will be allocated to the using departments based upon the current number of network users at a rate of \$16,665 per user in FY 2023. The estimated allocation to other funds is shown below:

Fund	Amount
General Fund	\$1,452,038
Water and Sewer Operating Fund	239,504
Motor Pool	49,996
SWM	49,996
Total	\$1,791,535

The personnel category shows an increase of \$138,503. This category reflects the addition of the Audiovisual Specialist, which was approved by Town Council in November of FY 2022. No other significant changes have been made in salaries or benefits for IT employees.

Information Technology is considered an essential function of the Town, which was most recently highlighted by the COVID-19 pandemic which necessitated the move to remote working to the extent possible. The pandemic has also resulted in Information Technology's moves to digitize processes and move many components to the cloud.

The operating category shows an increase of \$341,338, or 39%, over FY 2022. A number of technology items have moved from other departments to be budgeted within Information Technology. These include the following:

- A total of \$93,762 in technology-related to public safety which used to be budgeted in Police. These include TASER, body camera, and fleet camera maintenance, and technology related to investigations.
- A total of \$153,272 in Public Works items, including the fuel management system, GIS software, facility maintenance software, cemetery software, and CAD software.

In addition, the Department has requested additional funding, as well as savings in line items, to fund the following:

- Online payroll and timekeeping system: \$45,000
- Budgeting software: \$33,000
- Document management system and business process automation: \$150,000
- Sound system for the WARF: \$100,000

The capital category has increased by \$5,362 over FY 2022. This increase will cover the cost of inflation for computer equipment.

Goals, Objectives, and Measures

Mission: The Information Technology Department strives to provide the technology required for the fulfillment of the Town's mission in an efficient and effective manner. The IT department assists in the technical analysis, design, procurement, implementation, operation and support of computing infrastructure and services.

The following goals and objectives have been identified by the Information Technology Department. Performance metrics have also been named, but the department will begin to track

Goals	Objectives	Performance Metrics
Provide a stable, reliable, and secure network to support the town's information technology needs	• Provide service to Town employees through a Help Desk	• Comparison of Help Desk Tickets created to resolved
	• Establish a Cybersecurity Policy	• Tracker of cybersecurity incidents and responses
Provide excellent customer service to all internal and external information technology customers	• Process Help Desk tickets in a timely manner	• Average resolution time of tickets
	• Provide network and telephone availability at 100%	• Tracker of any network or telephone downtime



Policy Title: Budget and Expenditure Control
Effective Date: September 14, 2021

I. PURPOSE

Governmental budgets serve as annual fiscal plans to allocate scarce resources in support of the government's programs and services and in accordance with the governing body's identified priorities. This policy establishes guidelines for 1) the creation of a balanced annual budget; 2) how adjustments are made to the budget during the course of the fiscal year; and 3) what controls will be used throughout the fiscal year to ensure that expenditures do not exceed appropriations.

II. SCOPE

This policy applies to all Town departments.

III. POLICY

A. Budget Creation

- i. **Balanced Budget** – The Town Manager will consider conservative revenue projections, departmental expenditure requests, capital projects and staffing requests in the formulation of a balanced budget. The goal is to balance expenditures with current revenue. Fund balance may be used to balance the budget, but should be used as outlined in the Town's Fund Balance Policy.
- ii. **Revenue Projections** – Revenue will be conservatively estimated and consider a number of factors, including historical trends, economic conditions and outlook, impending changes in legislation, and any notifications of changes in funding received from State and Federal sources.

- iii. Departmental Expenditure Requests – Each department must submit their requested budget for the next fiscal year to the Finance Department by December 31st. The request should provide line item estimates and a detailed narrative supporting the amount requested. Justification must be provided for any additional staff requests and capital outlay.
- iv. Capital Improvement Plan (CIP) – The CIP is the Town’s five-year capital planning document. The CIP is reviewed by the Planning Commission to ensure compliance with the Town’s Comprehensive Plan. The Planning Commission then provides its recommendations to the Town Council.
- v. Personnel - The creation of any full-time position requires Town Council approval since it represents an on-going commitment of funds. All part-time positions are considered temporary and may be approved by the Town Manager.
- vi. Time for preparation and approval of budget - As required by Code of Virginia §15.2-2503, the Town Manager shall submit the proposed budget on or before the first day of April each year. The Town Council shall approve the budget no later than the date on which the fiscal year begins. Tax rates for the calendar year must be adopted no later than May 14th, as provided for in Town Code.

B. Budget Adjustment

During the course of the fiscal year, conditions may arise that necessitate changes to the adopted budget. This may take the form of a transfer or a supplemental appropriation. The authorizations required for each are listed below:

- 1. Supplemental Appropriation – a supplemental appropriation increases or decreases the overall budget appropriation. Funding sources may include grants, unanticipated revenues, inter-Fund transfers or the use of Fund Balance.
 - a. The Town Manager is delegated authority to approve supplemental appropriations for insurance recoveries less than \$50,000.

- b. All supplemental appropriations other than insurance recoveries as outlined in paragraph a. must be approved by the Town Council.
 - c. Code of Virginia §15.2-2507 requires that the Town Council hold a public hearing when a supplemental appropriation exceeds 1% of the total budget.
2. Transfers – a transfer involves the movement of a budgetary appropriation within a department or between departments, provided that the transfer does not increase or decrease the budgeted appropriation at the fund level.
- a. All transfers are to be reviewed by the Finance Department and approved by the Town Manager.
 - b. Transferring appropriations between personnel and non-personnel categories is discouraged and will be allowed on an exception basis only.
 - c. Transfers between funds increase or decrease the total appropriation at the fund level, and as such, require Town Council approval. For purposes of this policy, each fund that is separately identified in the budget and the appropriations resolution, apart from internal service funds, is a distinct fund.

C. Expenditure Control

1. In accordance with the Town's Purchasing Policy, encumbrances are employed as a measure to avoid overspending a department's budget. The Finance Department will verify that funds are available in a given line item prior to the issuance of purchase orders. Finance will notify the Department Head if a budget transfer is necessary.
2. The Finance Department will provide monthly revenue and expenditure reports to department heads. It is the responsibility of the department head to monitor their department's spending to ensure that adequate funding remains for planned expenditures.

3. All invoices for goods and/or services should be reviewed for accuracy, approved by the receiving department and forwarded to the Finance department to ensure payment in a timely manner, as prescribed by Code of Virginia §2.2-4350. This also serves to provide accurate and timely financial information is recorded in the system for the monthly reports.



I. PURPOSE

The purpose of this policy is to establish minimum fund balance levels for the Town's governmental funds, to establish the conditions for the use and replenishment of those funds, and to identify the different classifications for reporting fund balance. Fund balance is the net position of a governmental fund (the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

II. SCOPE

This policy applies to all governmental funds of the Town.

III. POLICY

It is the policy of the Town of Warrenton that the Town's governmental funds shall be operated in a manner consistent with sound financial management principles. An adequate fund balance level is an essential element in both short-term and long-term financial planning. It serves to mitigate current and future risks, sustain operations during economic downturns, provides cash flow liquidity for the Town's general operations, and enhances creditworthiness. While maintenance of an adequate level is necessary, it is important that the amount established be appropriate in light of the Town's operations.

A. Fund Balance Classifications

Governmental fund balances shall be reported in the following classifications, as set forth in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Classification	Definition	Examples
Nonspendable	Amounts that cannot be spent because they are either (a) not in	<ul style="list-style-type: none">• Inventories• Prepaid items

	spendable form or (b) legally or contractually required to be maintained intact	<ul style="list-style-type: none"> • Long-term receivables
Restricted	That portion of fund balance upon which constraints are placed on the use of resources (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation	<ul style="list-style-type: none"> • Debt covenants • Revenues restricted by enabling legislation • Grants
Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority	Amounts that the Town Council sets aside by resolution
Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed	Authority delegated to the Town Manager
Unassigned	Unassigned fund balance is the residual classification for the General Fund. This accounts for the balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. All other governmental funds would report deficit unassigned fund balance.	

B. Minimum Level of General Fund Balance

The Town of Warrenton will maintain a minimum unassigned fund balance in the General Fund equal to 50% of the current annual operating expenditure budget of the General Fund. For purposes of this calculation, this shall be based on the annual adopted budget figures. Fund balance may be maintained at a level higher than this minimum to save for large planned expenditures (i.e. capital projects), emergencies, cash flow issues

related to timing of revenue receipts, and to address economic volatility. Amounts above this minimum may be further identified by Council to be set aside for other purposes (such as capital projects or reserves for contingencies) as further detailed herein. The purpose of establishing a minimum fund balance is to maintain a prudent level of financial resources to protect against the need to either reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

C. Order of Resource Use for the General Fund

In general, restricted funds are used first when expenditure is incurred for which both restricted and unrestricted fund balance is available. In addition, for unrestricted fund balance, the order of used of fund balance shall generally be: 1) committed, 2) assigned, and 3) unassigned.

D. Use of Year-end Operating Surplus

At the end of each fiscal year, all general fund revenues in excess of expenditures, as measured in the Town's annual audited financial statement, will first be allocated according to a waterfall mechanism as follows:

1. Annual surplus revenues will be allocated to the Unassigned Fund Balance until the 50% minimum policy target is met;
2. If the 50% Unassigned Fund Balance minimum policy is met, the remaining annual surplus funds will be allocated as follows:
 - a. Budget Stabilization Fund: 50% of the annual surplus shall be dedicated to a Budget Stabilization Fund until such fund reaches a level equal to at least 10% of current annual operating expenditure budget of the General Fund or \$1 million, whichever is greater. Once this policy has been met no additional contributions to the Budget Stabilization Fund are required although Town Council may elect to make contributions to the Budget Stabilization above the minimum levels.
 - b. Capital Fund: At least 50% of the annual surplus shall be dedicated to a Capital Fund. There is no prescribed maximum funding Amount for the Capital Fund. To the extent that both the

Unassigned Fund Balance and Budget Stabilization Fund policy targets are met the Town may allocate up to 100% of the annual surplus to the Capital Fund.

- c. Additional Surplus for One-Time Priorities or Long-Term Liabilities:
To the extent that both the Unassigned Fund Balance and Budget Stabilization minimum policy levels are met the Town may elect to utilize additional annual surplus dollars for purposes including: additional contributions to the Unassigned Fund Balance; additional contributions to the Budget Stabilization Fund; priorities of the Town that are one-time in nature; debt paydown; reduction or pre-funding of other long-term liabilities; or, other non-recurring purposes of the Town.

E. Replenishment of General Fund Minimum Fund Balance

Should the minimum balance (assigned and unassigned fund balance as a percentage of total budgeted expenditures) fall below the 50% requirements for the General Fund, the Town Council shall approve and adopt a plan to restore this balance to the target level within the next three fiscal year's budget.

F. Use of General Fund Balance

1. Unassigned Fund Balance

The general fund unassigned fund balance shall be drawn upon only as absolutely necessary after the other general fund reserves have been exhausted and any use thereof shall be upon the approval of Town Council and limited to:

- 1. One-time capital expenditures;
- 2. Offsetting economic volatility;
- 3. Non-recurring expenditures;
- 4. Providing liquidity in emergency situations.

2. Budget Stabilization Fund

Withdrawals from the Budget Stabilization Fund can only be considered if there is an unexpected General Fund revenue decline or expenditure increase during the current fiscal year. The Town will not

utilize funds from the Budget Stabilization Fund in the development or adoption of the operating budget.

3. Capital Fund

Balances in the Capital Reserve Fund are available for pay-as-you-go funding of capital projects and other non-recurring capital related expenditures including debt payoff/paydown or economic development opportunities.



I. PURPOSE

The purpose of this policy is to establish minimum cash balance levels for the Town's Water and Sewer Operating Fund.

II. SCOPE

This policy applies to the Water and Sewer Operating Fund.

III. POLICY

It is the policy of the Town of Warrenton that the Town's Water and Sewer Operating Fund shall be operated in a manner consistent with sound financial management principles. Adequate cash reserves are an essential element in both short-term and long-term financial planning. It serves to mitigate current and future risks, sustain operations during economic downturns, provides cash flow liquidity for enterprise operations, and enhances creditworthiness. While maintenance of an adequate level is necessary, it is important that the amount established be appropriate in light of the enterprise's operations.

A. Minimum Level of Cash Reserves

The Town of Warrenton will maintain minimum unrestricted cash balances in the Water and Sewer Operating Fund equal to 200 days of the fund's current annual budget. For purposes of this calculation, this amount shall be based on the annual adopted budget figures. Unrestricted cash may be maintained at a level higher than this minimum to save for transfer to the Water and Sewer Capital Fund for large planned expenses (i.e. capital projects), emergencies, cash flow issues related to timing of revenue receipts, and to address economic volatility. The purpose of establishing minimum unrestricted cash balance level is to maintain a prudent level of financial resources to protect against the need to raise fees (outside of normal rate increases) due to temporary revenue shortfalls or unpredicted one-time expenses.

B. Replenishment of Minimum Unrestricted Cash Balance

Should the minimum unrestricted cash balance fall below the 200 days of operating expenses requirement for the Water and Sewer Operating Fund, the Town Council shall approve and adopt a plan to restore this balance to the target level within the next three fiscal year's budget.

BUDGET RESOLUTIONS AND ORDINANCES

1. A Resolution to Adopt and Appropriate the Fiscal Year 2023 Budget and the Fiscal Year 2023 – 2028 Capital Improvement Program
2. A Resolution of the Town Council of the Town of Warrenton Establishing the Percentage Relief Granted to Qualifying Personal Use Vehicles Subject to the Town of Warrenton's Personal Property Tax for the 2022 Tax Year
3. Ordinance 2023-01: An Ordinance to Establish Tax Rates for the Tax Year Beginning January 1, 2023
4. Ordinance 2023-02: An Ordinance to Establish Business, Professional and Occupational License Tax Rates for the Tax Year Beginning July 1, 2022
5. Ordinance 2023-03: An Ordinance to Establish Water and Sewer Rates and Service Fees Effective July 1, 2022
6. A Resolution of the Town Council of the Town of Warrenton Establishing the Percentage Relief Granted to Qualifying Personal Use Vehicles, Subject to the Town of Warrenton's Personal Property Tax, for the 2023 Tax Year