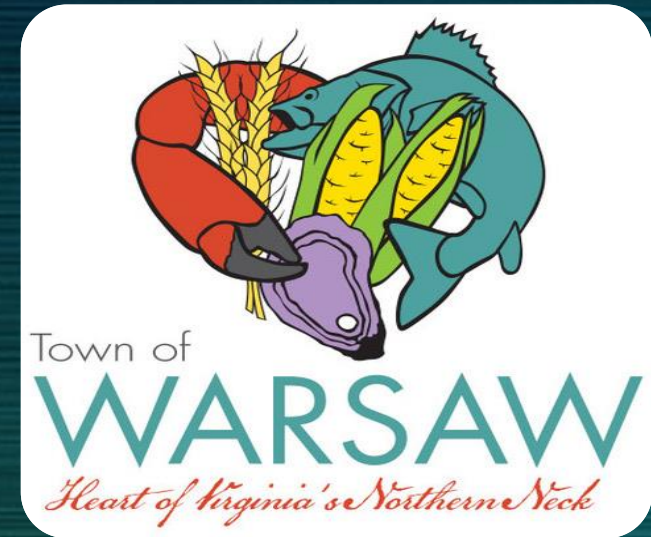


Town of Warsaw

Budget Presentation
Fiscal Year 2020



Joseph N. Quesenberry
Town Manager

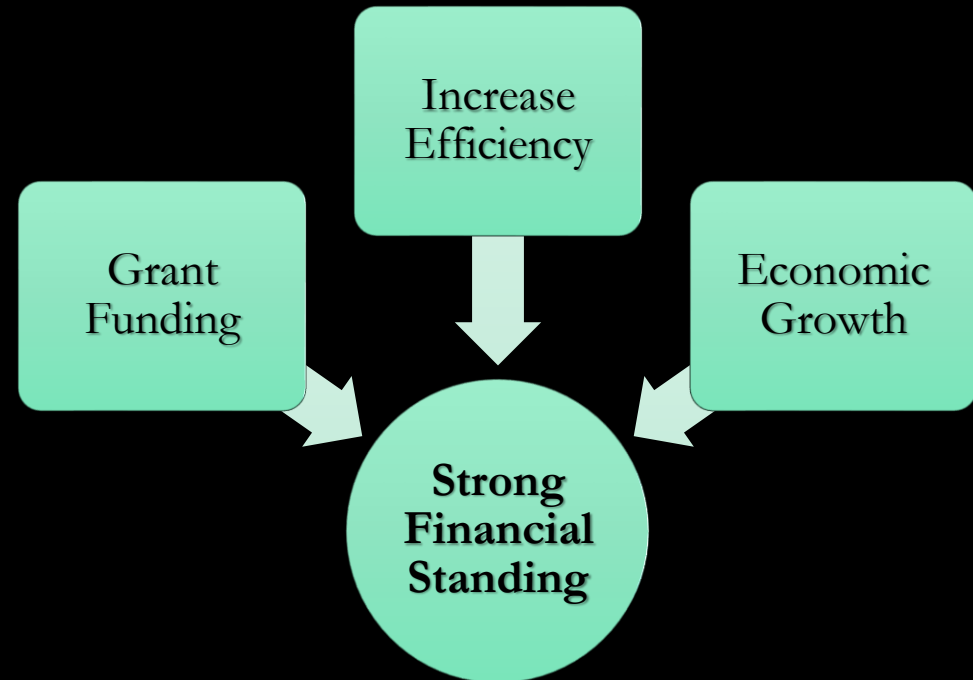
What does the Town fund?

- Police
- Wastewater
- Public Service
- Water
- Economic Development
- Tourism
- Parks and Recreation
- Revitalization Efforts
- Charities and Organizations



Core Objectives for Continued Strength

- Continue to pursue grant funding opportunities
- Continue incentives for Economic Growth
- Continue our reputation for Strong Fiscal Health
- Create a more Efficient Organization



How do we achieve these objectives?

- Leave cash reserves solid and sound.
- Pursue grant funding for any projects we wish to pursue.
- Increase our tax base through economic development and tourism.



Our Budget Process

Capital Improvement Plan

- Serves as an outline for large-scale capital expenditures.
- Department Heads submit requests and answer questions asked by the Planning Commission and Council.
- This serves as a PLAN. No expenditures are guaranteed to occur if we are unable to pay for them.

General Operating Budget

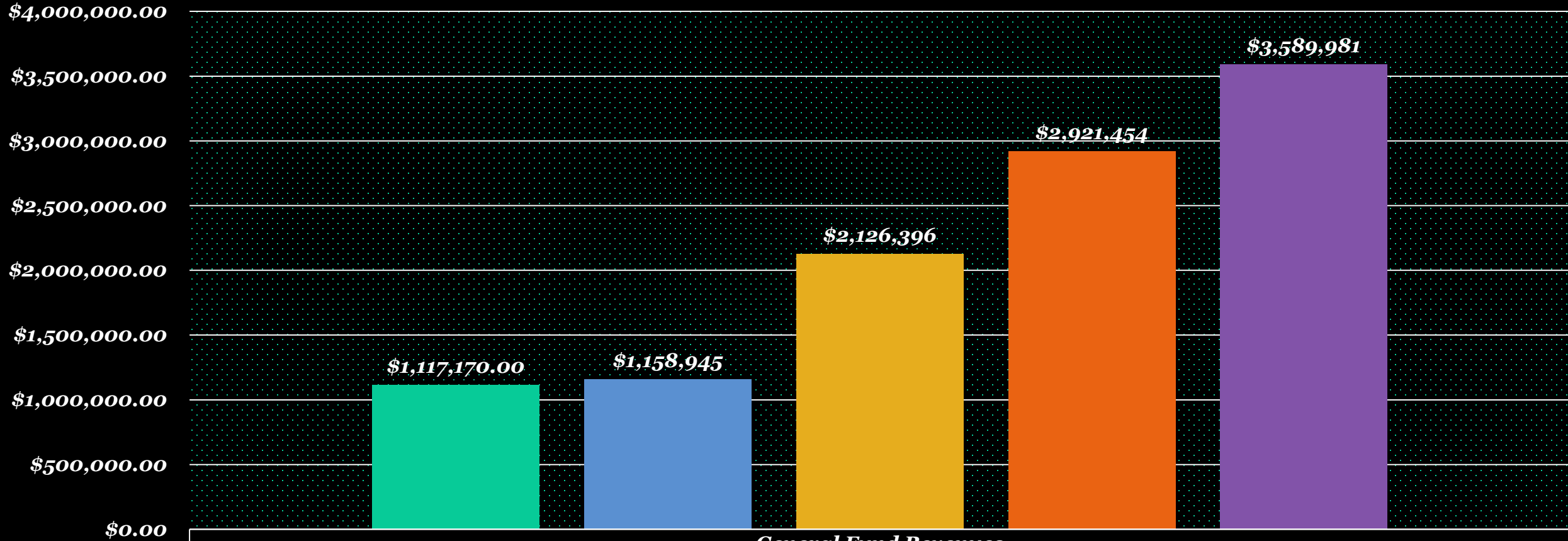
- This serves as our operating budget for next fiscal year (July 1 – June 30).
- Budget must be balanced and needs to include contributions to capital reserves.
- Two funds are featured in the budget: General Funds (Tax Revenue) and Enterprise Funds (Fees from Services).

Your Budget at a Glance – Reflecting a Growing Community

- This budget proposes a 1% increase on meals tax revenue, bringing us to 5%. This now means we will be tied for lowest in the region.
- Due to an error by previous staff, the Real Estate Tax increase was not recorded. The rate is now set to rise from **\$.13** to **\$.16** per \$100 of assessed value.
- Nearly **all** revenues are projected to be higher than estimates.
- We have \$351,800 proposed for Capital Projects and Improvements, with funding coming from both revenues and capital reserves that we will replace.
- Proposed salary increase of 2.5% for all full-time Town Staff. There is no increase in health insurance rates this year.
- With timber harvest revenues accounted for, we have placed a net value of apr. \$350,000 - \$400,000 in Reserve funding within the past 3 years.
- We now have \$50,000 in the Operating Budget for Economic Development Initiatives.
- With this budget, we are placing **\$50,000** in to Capital Reserves for items such as a new trash truck, street lights, and police. The remaining funds at the end of the fiscal year will roll in to undesignated reserves.



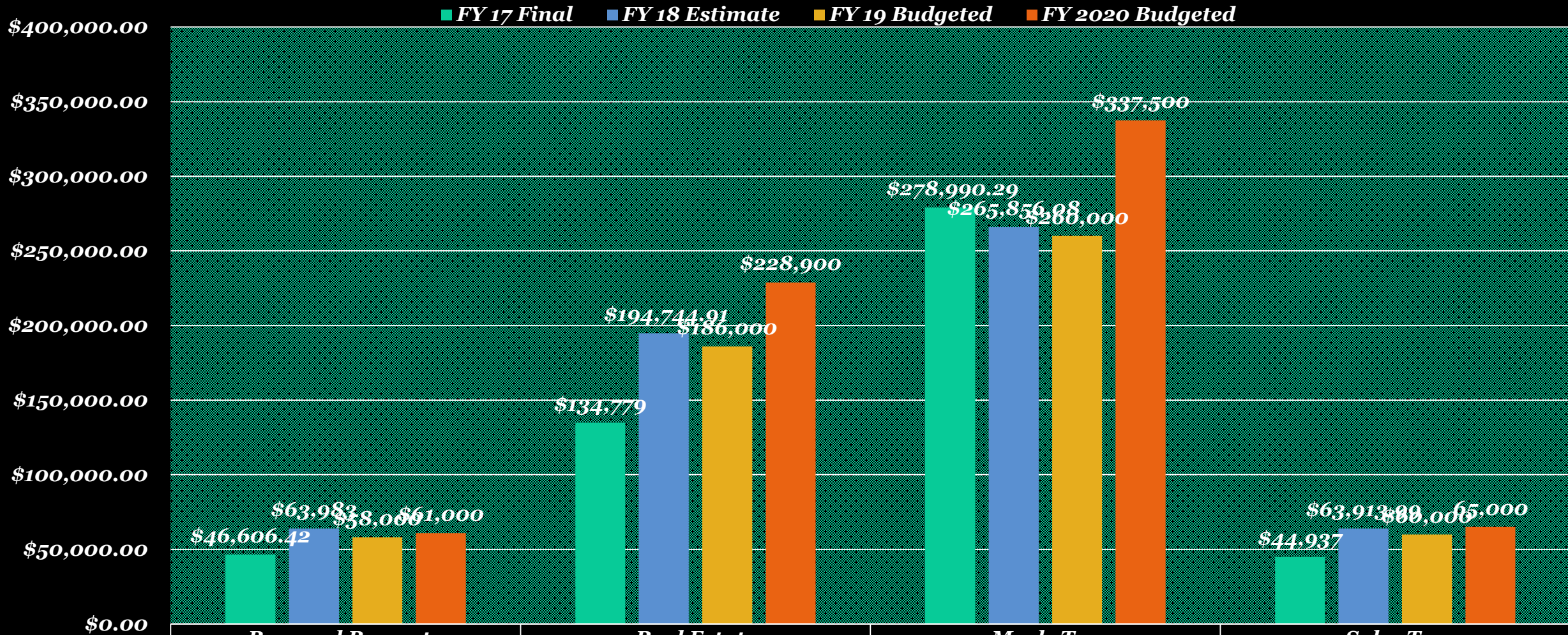
General Fund Revenue Trends



	<i>General Fund Revenues</i>
FY 2016	\$1,117,170.00
FY 2017	\$1,158,945
FY 2018	\$2,126,396
FY 2019 Proposed	\$2,921,454
FY 2020 Proposed	\$3,589,981

FY 2016 **FY 2017** **FY 2018** **FY 2019 Proposed** **FY 2020 Proposed**

Anticipated Revenue Trends By Source



FY 17 Final	\$46,606.42	\$134,779	\$278,990.29	\$44,937
FY 18 Estimate	\$63,983	\$194,744.91	\$265,856.08	\$63,913.99
FY 19 Budgeted	\$58,000	\$186,000	\$260,000	\$60,000
FY 20 Budgeted	\$61,000	\$228,900	\$337,500	65,000

Budget Breakdown by Department

- **General Operations** are all Departments except Water and Wastewater. They are funded through the General Fund via tax revenue and excise taxes (Real Estate, Personal Property, Meals, etc.).



Department	Department Budget	% of Total Operating Budget
Administration	\$494,045	42.34%
Police	\$428,377	36.72%
Public Service	\$244,176	20.93%
Contributions	\$49,150	
Debt Service	\$54,053	
Capital Outlays	\$2,320,180	
Total Budget	\$3,589,981	

Enterprise Funds – Water and Wastewater

Enterprise Funds are collected through recurring monthly payments by Town customers. These include your water, sewer and garbage bills.

Wastewater	
Operating Budget	\$394,845
Capital Expense	\$105,525
Debt Service	\$249,200
Total	\$749,570

Water	
Operating Budget	\$330,340
Capital Expense	\$142,500
Debt Service	\$0
Total	\$472,840

FY 2019 Budget VS. Proposed FY 2020 Budget

Department	2019	2020	Over/(Under) Previous Year
Administration	\$415,006	\$494,045	\$79,039 <i>19% Increase</i>
Police	\$320,180	\$428,377	108,197 <i>33.79% Increase</i>
Public Service	\$219,608	\$244,176	\$24,568 <i>11.18% Increase</i>
Water	\$281,020	\$330,340	\$49,320 <i>17.5% Increase</i>
Wastewater	\$388,455	\$394,845	\$6,390 <i>1.64% Increase</i>

Warsaw's Cash Reserves Remain Strong

- Common practice within larger Virginia localities is to maintain a cash reserve balance that equals 20% of annual operating expenses.
- Smaller towns, with smaller budgets and large expenditures, should maintain a minimum reserve balance of 50% of operating expenses.
- Warsaw's designated and undesignated reserves amount to the following:
- With timber harvesting revenues, proceeds from the sale of land, and conservative budgeting, Warsaw currently has apr. **\$4,500,000** in total reserves from the following: *General Fund Reserves, Cash in Bank, and Enterprise Funds.*



Capital Improvement Plan



Items to be funded in this Fiscal Year include the following:

- **\$50,000** – Mini Excavator (*Will sell our oldest Backhoe to offset some expense*)
- **\$5,000** – Trailer for Excavator
- **\$98,000** – Water Line Replacement – Main Street
- **\$106,000** – Replace Sidewalks Along Main Street
- **\$20,000** – Used Bucket Truck from NNEC
- **\$30,000** – Tractor & Equipment to Replace 1970's Model Tractor
- **\$7,000** – New Lawnmower to Replace 2000's Model
- **\$10,800** – New Server & Software
- **\$25,000** – Police Vehicle Replacement (*Paired with USDA Grant for 2 Vehicles*)

Questions? Comments?



Moving Forward

