

FY 2010 Budget – Draft

**General Fund
Projected Department Expenses**

General Fund Expenses

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General Fund Expenses	FY 2008/09	FY 2009/10	Change
Town Council	313580	201340	-112240
Decrease of \$112,240.00 – reflects the funds from personal property taxes (boat tax related) that were expected was placed in Council contingency on the expense side			
Town Manager	273570	246025	-27545
Decrease of \$27,545.00 – Made cuts in various categories. Some things that were in the Town Manager’s budget last year, should not have been there. We have now moved them to other categories. We have consolidated some of those departments for efficiency			
Chief Financial Officer	277444	285387	7943
Increase of \$7,943.00 reflects salary cost of living changes COLA has been a separate budget line item. There are no increases in the budget for salaries, overtime, etc. It is reflecting the true current salaries. The other difference from my department is the change in the benefit factor for workman’s compensation and hospitalization. We are under what we should be funding to pay the benefit. The purchasing of cigarette stamps was not in the previous budget year.			
Legal Services	55000	55000	0
No Change			
Auditor	35000	60000	25000
Increase of \$25,000.00 for auditing services in 2010 - Council has requested quarterly assistance support. This will help put systems in place for the future. All Council members were in agreement. Ms. Foulds will prepare an analysis and a RFP so we can talk about that at the next work session. The RFP wording will include the fact that all work papers and audit preparation papers would be provided and taken care of by an independent CPA so the auditor can factor that into the pricing.			
Computer Processing	57850	29000	-28850
Decrease \$28,850.00 - Last year we budgeted for a server for Town Hall that we did not get that server, but purchased a server for the Bright System.			
Risk Management	108162	109246	1084
Increase of \$1,084.00 - Risk Management includes property and liability insurance for everything as well as annual membership and dues for VML.			
Electoral Board	1750	1750	0
No change			

Police	977526	998550	21024
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Increase of \$21,024.00 - The medical building lease is \$30,000.00. One officer's position cut. Compensating for fringe benefits, [\$50,000.00] due of the formula used last year. With a few other cuts we will show a \$21,024.00 increase.

Mr. Kennedy stated that some of the lease amount would be coming out of the last couple of months left in this year's budget.

Ms. Foulds stated that she cannot comment as this time as the attorney working on this.

E-911	126600	126600	0
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No Change - The amount is for the lease/purchase of the equipment. This is the last payment of \$91,000.00 and the difference is quarterly payments

COPS Grant	15621	14073	-1548
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Decrease of \$1,548.00 - Chief Hawkins stated the figure in this line item is money that is guaranteed, money we know is coming in. The other \$72,000.00 will go to the General Fund of the budget. We are approved for \$86,000.00 a year just for having a local police department. The remainder of that will go into the General Fund. Just a portion of the money will go to the Police Department's budget.

Volunteer Fire Dept	42500	47000	4500
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Ms. Foulds will send Council members an email as to what this increase is for. This is a required increase

Ambulance & Rescue	30000	30000	0
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No change

Chamber of Commerce	3000	2000	-1000
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Decrease of \$1,000.00 - Reduction is as a result of no radio advertising. Discussion took place at this time regarding the June fireworks.

Public Works Director	97917	95892	-2025
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Decrease of \$2,025.00

Highways, Streets, Bridges, Sidewalks	126325	204404	78079
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Increase of \$78,079.00 - Ms. Foulds asked that Council refer down to the Recreation and Parks line. You will see a minus \$71,357.00. We have consolidated these departments for efficiency and cost savings. Also we have the same problem with the fringe benefits, the retirement, workman's comp, etc.

Street Lights	50000	53450	3450
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Increase of \$3,450.00 - Due to the cost of electricity

Parking Meters	1500	1500	0
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No change - Mr. Kennedy asked if any consideration has been given in this figure on the parking at the Castlewood and the boat ramp.

Ms. Foulds stated not in this budget. Later we can talk about Capital Improvements and special projects

Refuse Collection	119699	139083	19384
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Increase of \$19,384.00 - Moving salaries from one department to another.

Buildings & Grounds	158944	188692	29748
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Increase of \$29,748.00 - This is the consolidation of departments. Overall, total department increase is \$1,600.00 taking in account the fringe benefits problems.

Transit Operations	66850	60540	-6310
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Decrease of \$6,310.00 - Ms. Foulds stated that she received information from Transit on what our required funding would be and while the funding stayed the same, we eliminated other expenses amounting to a \$6,310.00 decrease. A portion of this is \$3,920.00 to Agency on Aging and other entities that we traditionally make annual donations.

AAA & Other Entities	3920	3920	0
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No change

Recreation and Parks	71357	0	-71357
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Decrease of \$71,357.00 – Consolidation of that department into others.

Regional Library	5000	5000	0
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No change

Planning and Zoning	232923	228106	-4817
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Decrease of \$4,817.00 - We may not be looking at a full time inspector for a while, or if we can find one person who can do both jobs that would be the efficient thing to do.

Ms. Payne - Mr. Murphy is going through his certification training on erosion and sediment control and that is a big help with building inspections.

Revenue Refunds	2500	2500	0
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No change

Litter	2000	1500	-500
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Decrease of \$500.00 - We get a litter grant each year and we are required to spend that money in specific ways and I suspect that the grant is going to be reduced. Last year we got \$2,700.00; however, I received notification that it may be reduced this year to \$1,500.00.

Debt Service	273856	153128	-120728
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Decrease of \$120,728.00 - That part of the decrease is as a result of reallocating the debt service. The VML VACO 2005 loan we had been paying a 50/50 (50 percent from the General Fund; 50 percent from the Utility Fund) and sometime during the administration of that loan, the Utility Fund received more of the loan. We have now made that adjustment, and part of the decrease is a result of reallocation of salaries and part of it is paying down some of that debt. Our principal payments are lower. We are looking at \$911,000.00 is the total debt service for 2010. There is a \$91,000.00 final payment and that has always been budgeted.

Mr. Coombes – What is the ratio of \$911,000.00 per total budget. There is a State law that says you cannot go over 14 percent. Where are we?

Ms. Foulds replied we are at 12 percent. We are incurring more debt for the inflow and infiltration problem. The additional Revenue needed to Balance Revenue & Expenses - \$341,524.00.

Department Total	3530394	3343686	-186708
School Transfer (Required by State)	2163979	2040420	-123559
* (See comments below)			
General Fund Total	5694373	5384106	-310267

FY 2010 Additional Revenue Needed to Balance R&E **341524**

*** School Transfer**

Decrease of \$123,559 – Tuition in the amount of \$65,000.00 has not been taken out

Ms. Foulds stated the information I have taken from the State’s web-site the amount required by the State for the school transfer. We expect to spend \$310,267.00 less then last year. When we get to the Revenue page you will see that we are not getting as much revenue either.

The \$341,524.00 is the difference between the FY 2010 Expenses and the 2010 Revenue

Mr. Ridgely stated that we don’t take out the tuition income they receive, which I understand under the State guidelines, if they get \$65,000.00 in tuition, we can subtract \$65,000.00 from what we are required to give.

Ms. Congdon stated if you look at that number on the school budget, it has been \$65,000.00 for over the last three years. King George has a big new building and they are going to be expecting tuition students from Colonial Beach this coming year. So I would expect that we are going to loose a few students to King George.

Mayor Rummage stated that is part of the audit report that we are to perform oversight and make sure that any money the School Board gets is reflected in those dollars and are appropriated by this body.

Ms. Congdon stated there is a number that the Town is supposed to give the school just under “standards of quality.” There are incentive funding categories and some of them make a huge difference to the school system. It is very worthwhile. Council can have some control on how the money is spent by designating the programs the money is to be spent on. The Town has to make sure that the money is actually accepted from the State and the monies you gave us are put into those programs.

FY 2010 Budget – Draft

General Fund

Projected Department Revenues	FY 2008/9	FY 2009/10	Change
General Fund Revenues	FY 2008/9	FY 2009/10	Change
Department			
Real Property Taxes	2617940	2701733	83793
Increase of \$83,793 - Keeping it at the current rate			
Public Service	20000	20000	0
No Change			
Personal Property Taxes	495000	450388	-44612
Decrease of \$44,612 - Keeping at the same rate. The difference is the funds from personal property taxes previously expected. The boat tax was placed in the Council contingency on the expense side. That is the difference between this year's dollar amount and last year's dollar amount.			
Machinery & Tools	100	100	0
No change			
Penalties & Interest	45000	45000	0
No change			
Local Sales & Use Taxes	185000	170000	-15000
Decrease of \$15,000.00			
Consumer Utility Taxes	100000	90000	-10000
Decrease of \$10,000.00 - Ms. Foulds stated we are waiting for additional information from the State. Apparently they are going to be refunding Consumer Utility Taxes to some of the utility companies.			
Business License	177000	152000	-25000
Decrease of \$25,000.00			
Motor Vehicle License	80000	80000	0
No change			
Bank Stock	50000	40000	-10000
Decrease of \$10,000.00			
Cigarette Taxes	0	90000	90000
Ms. Foulds stated we did not have a base line. \$90,000.00 is a projection. From January to date we are in the mid \$60,000.00's that includes the startup.			
Admission Taxes	0	0	0
No Change			
Lodging Taxes	32000	35000	3000
Increase of \$3,000.00			

Meals Tax	283000	250000	-33000
Down by \$33,000.00			
Communication Sales Tax	228000	180000	-48000
Down \$48,000.00 - The State is going to be making refunds. This is as realistic as we can get.			
Permits	161950	52925	-109025
Decrease of \$109,025.00 - Building and Zoning projecting a decrease in Building Permits			
Court Fines & Forfeitures	34500	35500	1000
Increase of \$1,000.00 - Chief Hawkins stated this is an increase in court fines and parking ticket monies that have come back to the Town			
Revenue from Use of Money	125200	21100	-104100
Down \$104,100.00			
Revenue from Use of Property	62200	65900	3700
Increase of \$3,700.00 - Includes Eleanor Mobil Home Park, the Boardwalk, etc			
Charges for Services	8300	9700	1400
Increase of \$1,400.00			
Miscellaneous Revenue	150420	4460	-145960
Decrease of \$145,960.00 - The auditors are asking us to discontinue treating the refunds received from the Rescue Squad and Transit as income.			
Ms. Grant – In the past, the budget was set up with line items for transit reimbursements, school gas reimbursement, etc. It has been coming in as revenue and it should have gone back to reduce the expense. that is the line that the school reimburses the Town, It is \$2,400.00 every year.			
Non-Categorical Aid - State	244339	244339	0
Ms. Grant is your PPRA, your personal property tax relief			
Police Grants	145200	89937	-55263
Decrease of \$55,263.00 - Ms. Foulds stated we are using the verifiable number that we have from the State that says this is what you get just because you have a police department - \$89,937.00. Last year, anticipated grants were added.			
Fire Program	8000	8000	0
No change - Ms. Foulds reported that this is money received for having a Fire Department in the Town.			
Litter Control	2000	1500	-500
Decrease of \$500.00 - Ms. Foulds stated a \$1,500.00 grant is expected this year for litter control			
Other State Categorical Aid	5000	5000	0
No change - Bluemont Concert			
Transfers In	485220	200000	-285220
Total Fund 100 Revenue	5745369	5042582	-702787

Utility Fund

Projected Department Revenues

Utility Fund Revenues Department	FY 2008/9	FY 2009/10	Change
Water Charges Increase of \$247,263.00	364700	611963	247263
Sewer Charges Increase of \$80,145.00 – Most of this is due to the increase in water and sewer charges last year	1143781	1223926	80145
Penalty No change	20000	20000	0
Interest Increase of \$200.00	300	500	200
Connection Fees Decrease of \$260,000.00 - Conservative at \$220,000.00.	480000	220000	-260000
Misc	0	0	0
Wastewater Processing Fee Increase of \$10,000.00 - Ms. Foulds stated that she is of understanding they will pick up a certain percentage of the new debt and I have not included that in these figures.	30000	40000	10000
Fund 501 Revenue Total	2038781	2116389	77608

FY 2010 Budget - Draft

Utility Fund

Projected Department Expenses

Utility Fund Expenses Department	FY 2008/9	FY 2009/10	Change
Water & Sewer	915012	718381	-196631
WWTP	1218020	787534	-430486
Debt Service		763382	763382

Ms. Foulds – I have made telephone calls to various banks to verify some of these amounts. These numbers are from the Bank. This is what the Bank’s records show. In the former budget there were two different numbers on one page. There was no way of verifying that. The numbers are exact. That explains the \$763,382.00 difference.

Mr. Coombes – When you take that number from the Utility Fund and the red number from the General Fund and add them together, we are looking at \$800,000.00 in shortage

Mr. Ridgely – That is the number after implementing the \$2.99 boat tax

Ms. Foulds replied yes, and also there are no frills in the terms of any capital improvements or any other things that we need to have in a hurry

Mr. Coombes – The \$2.99 is \$116,000.00 in added revenue that is already included here. Ms. Foulds answered that is correct

Transfers	200000	200000	0
Utility Fund Total	2333032	2469297	136265
FY 2010 Additional Revenue Needed to Balance R & E		352908	

COMMENTS:

Mr. Coombes - I would like to say Val, this is the most concise presentation in Town government that I have seen in sixteen years.

Mayor Rummage asked for consensus to move forward with the Marina owners and boaters meeting on May 14, 2009. There were no objections.

Ms. Grant stated that you can vote on the tax rate and you still have time to change that rate downward up until the County Land Books are received.

Mr. Ridgely stated there should be no private meetings to discuss the budget.

Ms. Foulds – Ms. Grant did a revenue collection rate at 90% and 82% on the Boat Tax analysis. The \$2.99 would not yield us \$116,000 for your information.

Discussion took place regarding the \$694,432.00 shortfall

- The School Board is saying the local level allowance is \$2,159,955.00
The State document pulled from the web-site shows \$2,040,420.00

Schedule budget hearings

Council tasked the Town Manager to eliminate the \$694,432.00 shortfall with the following suggestions:

- Furloughs
- Tax increase
- Police dog line item
- Task Department Heads additional cuts
- Decal increase discussion
- Waster and Sewer user fees – Trash disposal
- Boat Ramp
- Parking meter system at Castlewood Park (Mr. Murphy will research and report to Council)
- Revenue, cigarette tax
- Eleanor Mobil Home Park Expenses before 2010 – Survey, Appraisal, RFP's, etc.
The Town Manager was tasked with the survey and appraisal and RFP's of Eleanor Trailer Park
- Collect property tax from the owner of Eleanor Mobil Home Park
- Quarterly review of Audit

Discussion took place regarding whether or not to have a trailer park on the Point.

Schedule a round table meeting with the School Board, May 18, 2009, 5:30 p.m. (No need to advertise, just post – per Town Attorney)

Boat Tax Special Meeting 5:30 p.m., before Town Council Meeting on May 14, 2009 (No need to advertise, just post – per Town Attorney)

MOTION TO ADJOURN:

There was a motion by Ms. Payne to adjourn the Budget Work Session at 7:00 p.m. May 8, 2009, seconded by Mr. Coombes.

Mayor Rummage – There being no further discussion the Town Council Budget Work Session is adjourned. There were no objections.

Approved By:

Mayor Frederick C. Rummage