

# Town of Warsaw

Budget Presentation  
Fiscal Year 2024

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# Fiscal Year 2024 – Proposed Budget

- The proposed FY 2024 Budget totals \$4,232,112 – This reflects the General Fund, Water, and Wastewater Budgets (*Enterprise Funds*).
- This is a small decrease from last year's budget, reflecting both ongoing and/or completed projects, the fluidity of grant funds such as the Industrial Revitalization Fund (IRF), the Community Market (USDA), etc., as well as an increase in expenses due to global inflationary pressures.
- In order to combat inflation, increasing national demand for higher wages in skilled labor fields, as well as the exponentially increasing cost of business for trash collection, increases in tax rates have been proposed for the following revenue sources: Meals, Personal Property, Transient Occupancy, as well as a fee for residential trash collection.
- All Warsaw tax rates will continue to remain lower than neighboring localities. We will highlight this further in the presentation.



# What does the Town fund?

- **Police** – *Staff, Vehicles, Equipment, Building Expenses*
- **Wastewater** – *Staff, Vehicles, Equipment, Testing, Potential Upgrades or Repairs*
- **Public Service** – *Staff, Vehicles, Garbage Truck & Collection, Beautification*
- **Water** – *Staff, Vehicles, Equipment, Testing, Potential Upgrades or Repairs*
- **Administration** – *Staff, Vehicles, I.T., Budget Preparation, Legal, Day to Day Operations*
- **Economic Development** – *Incentives, Attracting and Retaining Businesses*
- **Tourism** – *Advertising, Billboards, Gear and Apparel, N.N. Tourism*
- **Parks and Recreation** – *Town Park, Dog Park, and the Bounds*
- **Revitalization Efforts** – *Town-wide Improvements and Upgrades, 74 Main Street, etc.*
- **Charities and Organizations** – *YMCA, Chamber, Fire Department, Tennis Courts, etc.*

- The American Rescue Act was passed in 2021 and designated funding to state and local governments for infrastructure upgrades and to offset the impacts of COVID-19.
- The Town of Warsaw was allocated \$1,541,750 in funds.
- These funds have been designated by Town Council for the following uses: VDOT Sidewalk Project, Well Replacement, Remote Water Meter Reading System, Community Market, and other projects.
- To date, \$573,027.02 has been expended. All funds must be used and/or in use by the end of calendar year 2024. We are on track to expend \$400,000 for sidewalk replacements and \$340,000 in well replacement fees by the end of 2024.

# ARPA

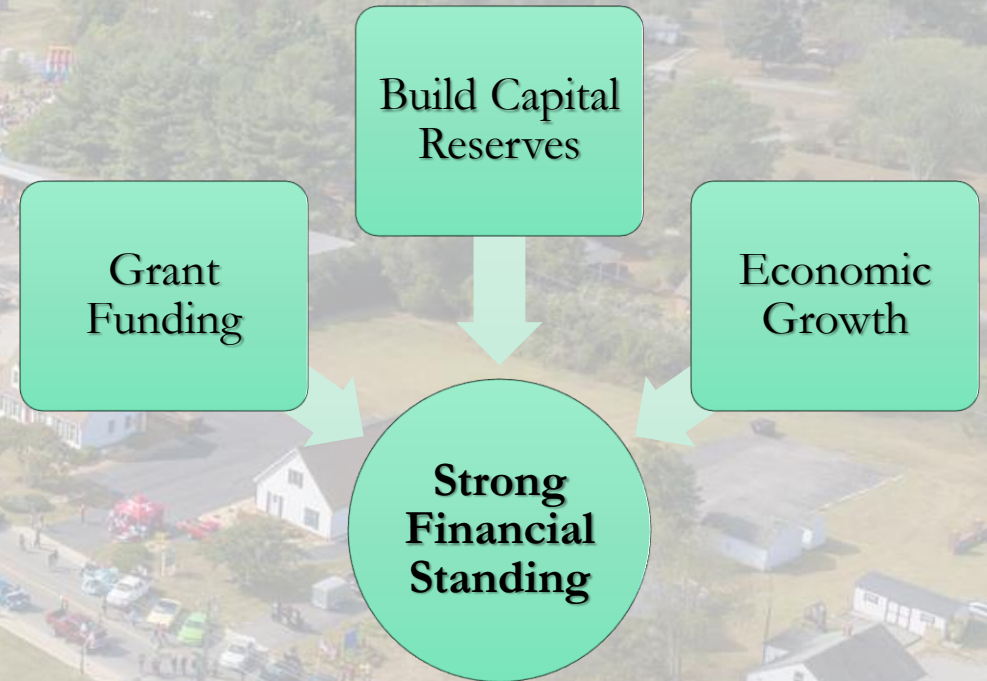
## *American Rescue Plan Act Funding*





# Core Objectives for Continued Strength

- Continue to pursue grant funding opportunities for current or future projects.
- Increase certain tax levels to be commensurate with neighboring localities and to offset inflation.
- Build Capital Reserves through reduced spending and increased revenue collections.
- Work with Department Heads to understand their budgets and monitor spending.
- Continue to pursue an aggressive economic development strategy to attract new businesses and new income.



# Projects & New Expenses

## Town Projects

- 74 Main Street Purchase and Renovation
- VDOT Sidewalk Project
- Well Replacement
- Hotel Study
- Medical Facility – RCC
- Economic Development Projects

## New Expenses

- Capital Projects – Public Works
- Trash Truck Purchase
- Police Vehicles Purchase (2)
- COLA Increases
- Inflation Increases

# 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 within the general operating budget.

## *General Operating Budget*

- This serves as the Town's operating budget for the 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).
- Council works through the Budget, holds a Public Hearing, and is allowed to adopt the Budget 14 days subsequent to the Public Hearing.



- The Town has found that due to increases in costs due to inflation, paired with exponentially increasing costs for refuse collection, the following tax rates will need to be increased: Meals, Personal Property, Transient Occupancy. A \$10 monthly fee for residential trash collection is also being proposed.
- The only capital improvement items outside of ARPA projects are the purchase public works equipment, as well as setting aside \$50,000 for a new refuse collection vehicle and \$82,022 for project contingencies.
- Total combined annual debt service payments will account for \$304,802 in FY24, a slight increase from an amount of \$282,135 for the current fiscal year. This is due to the Town's USDA loan for two (2) Chevy Tahoe's within the Police Department, and the addition of the acquisition of 74 Main Street. Total forecasted debt service accounts for 7.2% of the annual operating budget.
- In FY 2026, the last major loan for the treatment plant will drop from a payment of apr. \$210,000 per year to apr. \$95,000 per year, allowing for the Town to increase reserves for future growth and replacement of integral parts at the facility.
- This budget reflects a 3% Cost of Living Adjustment for all Town employees.



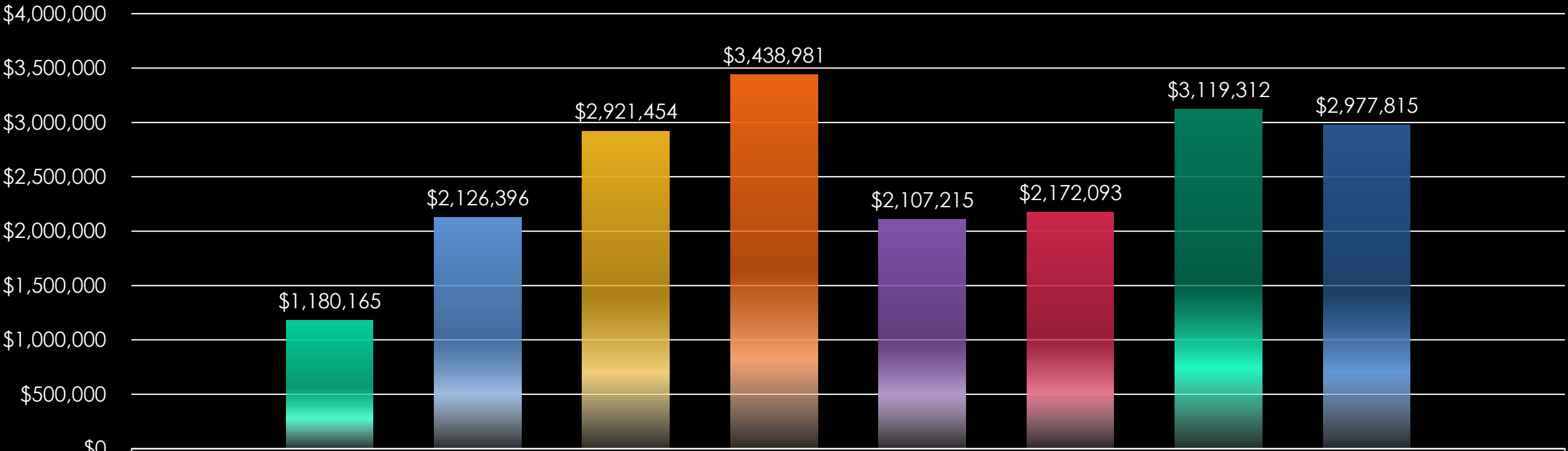
# Your Budget at a Glance

# Budget Comparison By Locality

The Town of Warsaw, even with the necessary increases, remains lower than nearly all comparable neighboring localities in most categories.

	Meals Tax	Transient Occupancy Tax	Cigarette Tax	Real Estate	Personal Property	Monthly Water- Residential	Monthly Sewer- Residential	COMBINED
<u>Warsaw</u>	5%	5%	\$0.40	\$.16/\$100	\$.60/\$100	\$11.00	\$40.00	\$51.00
<u>Milmarnock</u>	5%	8%	\$0.30	\$.0937/\$100	\$.16/\$100	\$14.50	\$38.00	\$52.52
<u>Pappahannock</u>	6%	6%	\$0.15	\$.09/\$100	\$1.25/\$100	\$15.35	\$34.50	\$49.85
<u>Colonial Beach</u>	5%	5%	\$0.40	\$.80/\$100	\$3.20/\$100	\$31.50	\$60.00	\$91.50
<u>Howling Green</u>	6%	5%	N/A	\$.11/\$100	\$.72/\$100	\$20.06	\$43.27	\$63.33
	Residential Trash	Commercial Trash	Monthly Water - Commercial	Monthly Sewer - Commercial	COMBINED			
<u>Warsaw</u>	\$0.00/Month	\$30.00	\$26.00	\$58.00	\$84.00			
<u>Milmarnock</u>	NOT OFFERED	NOT OFFERED	\$29.50	\$63.00	\$92.50			
<u>Pappahannock</u>	\$12.00	\$45.00	\$15.35	\$34.50	\$49.85			
<u>Colonial Beach</u>	BILLED w/ RE TAX	BILLED w/ RE TAX	\$31.50	\$60.00	\$91.50			
<u>Howling Green</u>	\$15.50/Month	\$18.48/Month/1 Cubic Yard	\$20.06	\$46.74	\$66.80			

# General Fund Budget - Trends

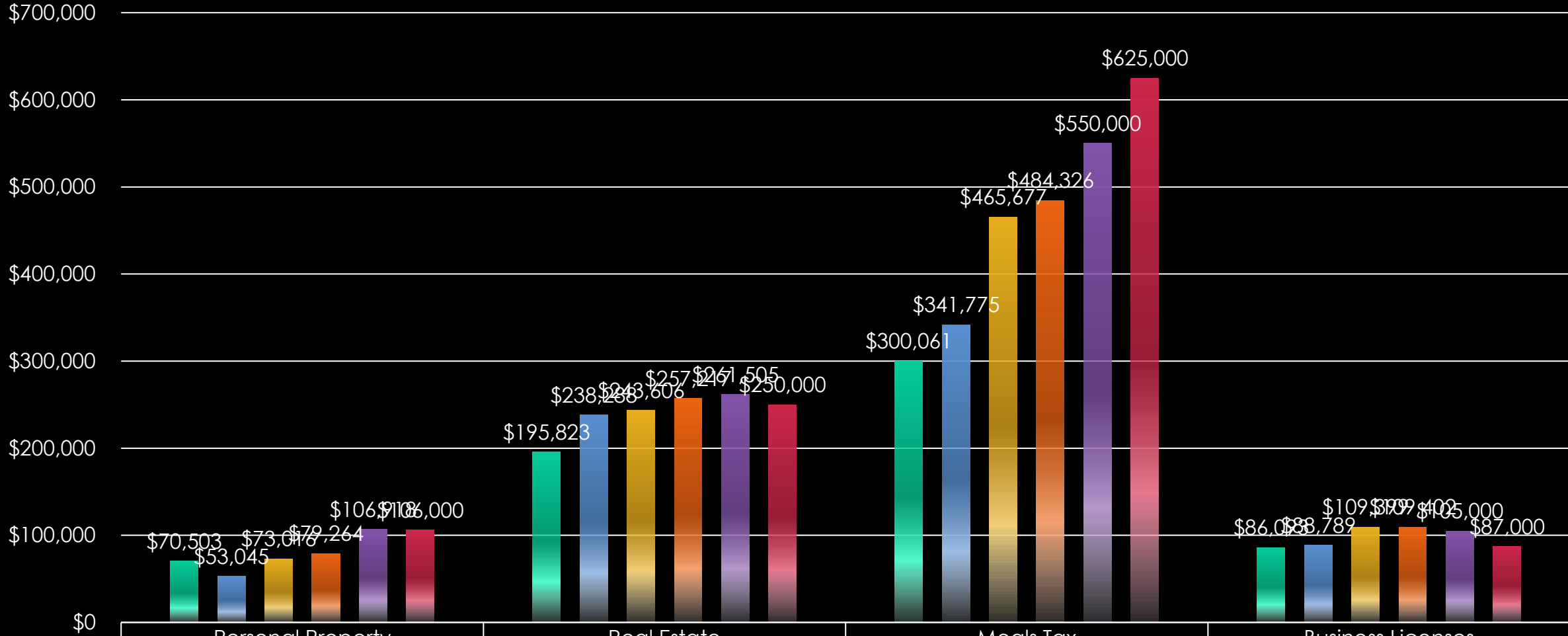


General Fund Revenues	
FY 2017	\$1,180,165
FY 2018	\$2,126,396
FY 2019	\$2,921,454
FY 2020	\$3,438,981
FY 2021	\$2,107,215
FY 2022	\$2,172,093
FY 2023	\$3,119,312
FY 2024 (Proposed)	\$2,977,815

■ FY 2017  
 ■ FY 2018  
 ■ FY 2019  
 ■ FY 2020  
 ■ FY 2021  
 ■ FY 2022  
 ■ FY 2023  
 ■ FY 2024 (Proposed)



# Anticipated Revenue Trends By Source



	Personal Property	Real Estate	Meals Tax	Business Licenses
FY 2019	\$70,503	\$195,823	\$300,061	\$86,093
FY 2020	\$53,045	\$238,288	\$341,775	\$88,789
FY 2021	\$73,016	\$243,606	\$465,677	\$109,399
FY 2022	\$79,264	\$257,217	\$484,326	\$109,402
FY 2023 (Anticipated)	\$106,918	\$261,505	\$550,000	\$105,000
FY 2024 (Projected)	\$106,000	\$250,000	\$625,000	\$87,000

# Budget Breakdown by Department

- The **General Fund Operating Budget** consists of all Departments except Water and Wastewater (*Enterprise Funds*).
- The General Fund Operating Budget is funded predominantly through real estate, personal property, and excise taxes.

Department	Department Budget	% of Total Operating Budget
Administration	\$645,223	21.67%
Police	\$418,184	14.04%
Public Service	\$582,776	19.57%
Contributions	\$61,700	2.07%%
Debt Service	\$94,232	3.16%
Capital Outlays ( <i>Non-ARPA \$64,413</i> )	\$101,000	3.40%
Grants	\$1,074,700	36.09%
<b>Total Budget</b>	<b>\$2,977,815</b>	<b>100%</b>



# Enterprise Funds – Water and Wastewater

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

**Capital Outlay** – The Water Department will purchase a replacement vehicle.

<b>Wastewater</b>	
Operating Budget	\$529,739
Capital Expense (Transfer)	\$72,261
Debt Service	\$208,650
<b>Total</b>	<b>\$810,650</b>

<b>Water</b>	
Operating Budget	\$356,161
Capital Expense	\$0
Debt Service	\$0
<b>Total</b>	<b>\$356,161</b>



# FY 2023 Budget VS. Proposed FY 2024 Budget

<b>Department</b>	<b>2023</b>	<b>2024</b>	<b>Over/(Under) Previous Year</b>
Administration	\$565,011	\$645,223	\$80,212 <i>(12.4% Increase)</i>
Police	\$389,112	\$418,184	\$29,072 <i>(6.95% Increase)</i>
Public Service	\$395,247	\$582,776	\$187,529 <i>(32.18% Increase)</i>
Water	\$356,161	\$354,247	(\$1,914) <i>(.5% Decrease)</i>
Wastewater	\$810,650	\$900,050	\$89,400 <i>(9.93% Increase)</i>
<b>TOTAL BUDGET</b>	<b>\$2,516,181</b>	<b>\$2,900,480</b>	<b>\$384,299</b> <b><i>(13.25% Increase)</i></b>

# Warsaw's Cash Reserves Remain Strong

- Common practice within larger Virginia localities is to maintain a cash reserve balance that equals at least 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 cash reserves (excluding ARPA funds) amount to apr. \$2,800,000 or 62.7% of our annual operating budget for this upcoming year.
- Cash Reserves - \$2,800,000
- Cash Reserves including ARPA funds - \$3,768,723
- Capital Assets - \$13,400,000 (*Note – This includes all water and sewer assets*)



# Capital Improvement Plan

A yellow excavator is shown in the process of demolishing a large, multi-story building. The excavator's arm is extended, and it is tearing down the structure. The scene is filled with dust and debris, suggesting a major construction or demolition project. The excavator is positioned on the right side of the frame, and the building is on the left. The sky is clear and blue.

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

\$11,000 – Town Shop Door & Window Replacement

\$13,000 – Town Shop Garage Door & Ceiling Upgrades

\$11,000 – Lift Station #3 Electrical Upgrades

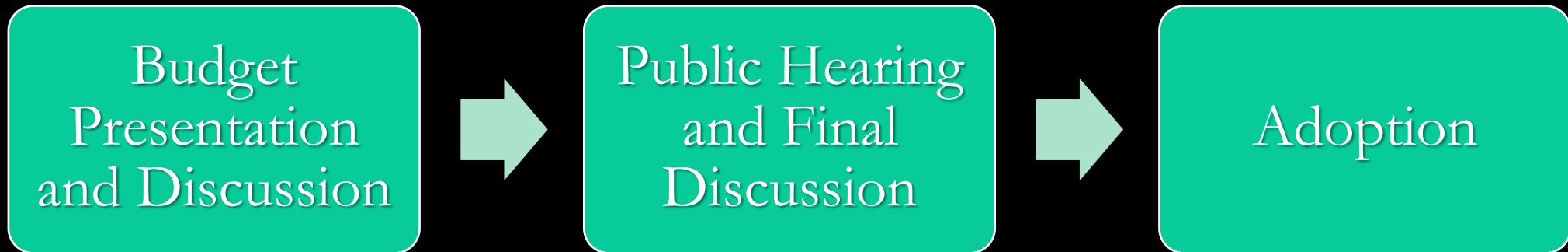
\$15,000 – Zero Turn Mower

\$2,100 – Fireproof Cabinet

TOTAL - \$52,100



# Moving Forward



# Questions?

