

FISCAL YEAR 2018 DRAFT BUDGET PRESENTATION

TOWN OF HAYMARKET
TOWN COUNCIL
MARCH 27, 2017 WORK SESSION



Snapshot of Haymarket

Town of Haymarket	Prince William County
Population: 1,915*	Population: 454,238*
Median Age: 33 Years**	Median Age: 34 Years**
Median Household Income: \$124,167	Median Household Income: \$53,889**
HS Graduate or Higher: 91.9%	HS Graduate or Higher: 86.7%
Bachelors or Higher: 40.7%	Bachelors or Higher: 29.8%

*American Community Survey, 2015 Population Estimate

** 2010 U.S. Census



Considerations for FY2018 Budget

- Remove reliance on fund balance for operating expenses
- Address 9.22% increase in health insurance premiums
- Place holder \$45,000 for additional debt service for Town Center project construction FY2018
- Accommodate development service needs for increase in development activity and reduce blighted properties; and
- Provide exceptional professional service to our residents and businesses.



Town Services and Programs

- ▶ Public Safety Services
- ▶ Community Planning, Zoning and Engineering Services
- ▶ Business and Economic Development assistance
- ▶ Trash and Recycling Collection
- ▶ Building Permits and Inspections
- ▶ Tourism Development: Historic Museum and Exhibits and Four Community Events a year
- ▶ Historic District Infrastructure Maintenance: Street Lights, Public Refuse Receptacles, Street Sweeping Maintenance, Town Streets, Brick Sidewalks, Public Parking Lots
- ▶ Public Building Maintenance and Improvements



Fiscal 2017-2018 Budget Process

- ▶ Town staff began the budget process in January 2017 and continued working with the Town Council's Finance Committee January-March and included the following:
- ▶ A thorough review of past revenues and discussing potential new business and development growth for FY2018.
- ▶ A review of past reliance on reserve funds and discussion how to plan for future capital expenditures in FY19 to allocate additional reserves to bring our fund balance to policy driven 30%
- ▶ A realignment of staff to streamline administrative services and increase our development services to improve efficiencies, predictability, and decrease cumbersome permitting timelines.
- ▶ Continued focus on the ability to begin and complete major capital improvement goals. Ie. Town Center and Haymarket Community Park



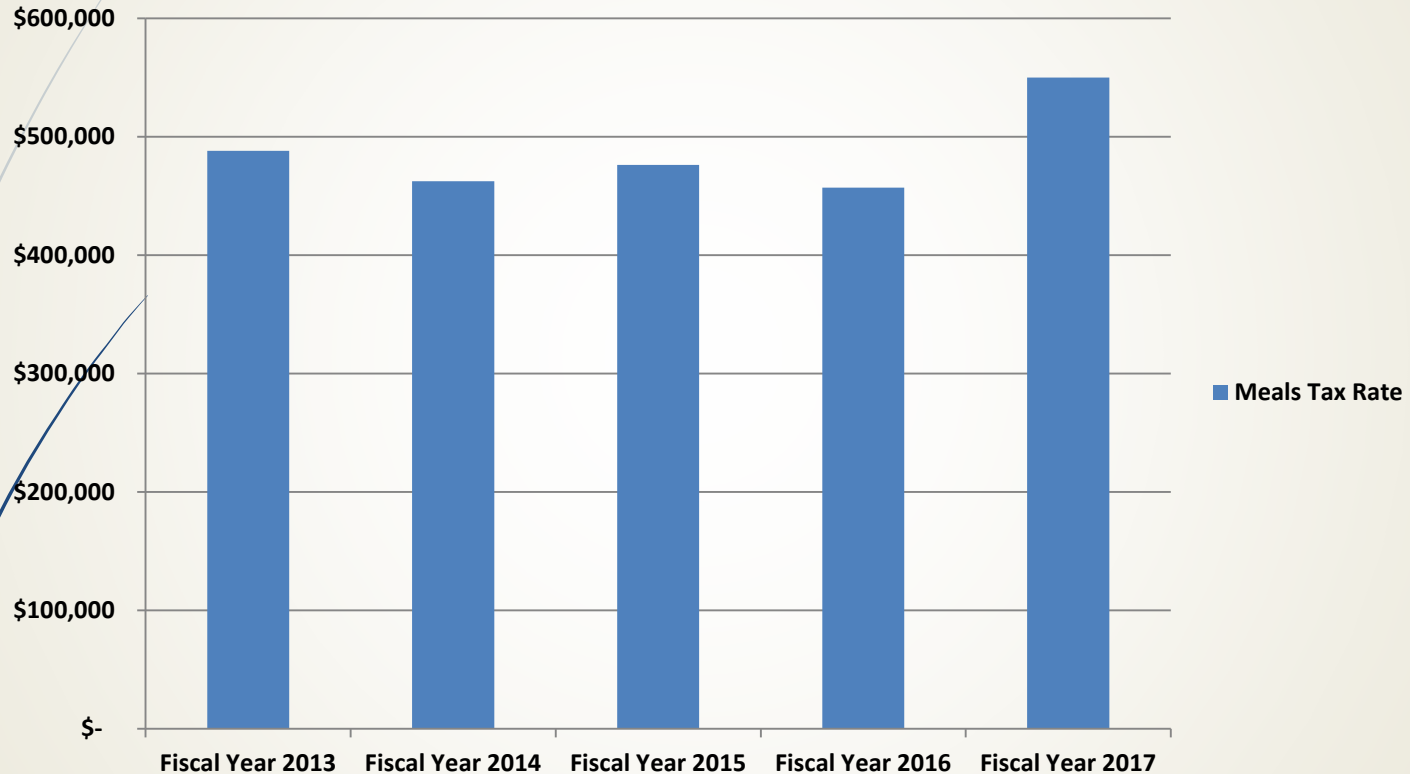
Goals of Fiscal Year 2017-2018 Budget

- ▶ Fund a budget plan that continues to invest in the community through capital improvements such as Town Center Project and Haymarket Community Park
- ▶ Be fiscally conservative, eliminating dependence of Reserve Funds for operating revenue
- ▶ Review the quality and type of services we provide and make sure our tax structure aligns with the costs of those services including infrastructure maintenance and our business competitiveness with surrounding communities



Meals Tax Trends Last Five Years

2013-2017 Meals Tax Trend



Meals tax increase average 25% over 2016, expect that to hold through 2018.



History of Real Estate Tax Rates and Revenues

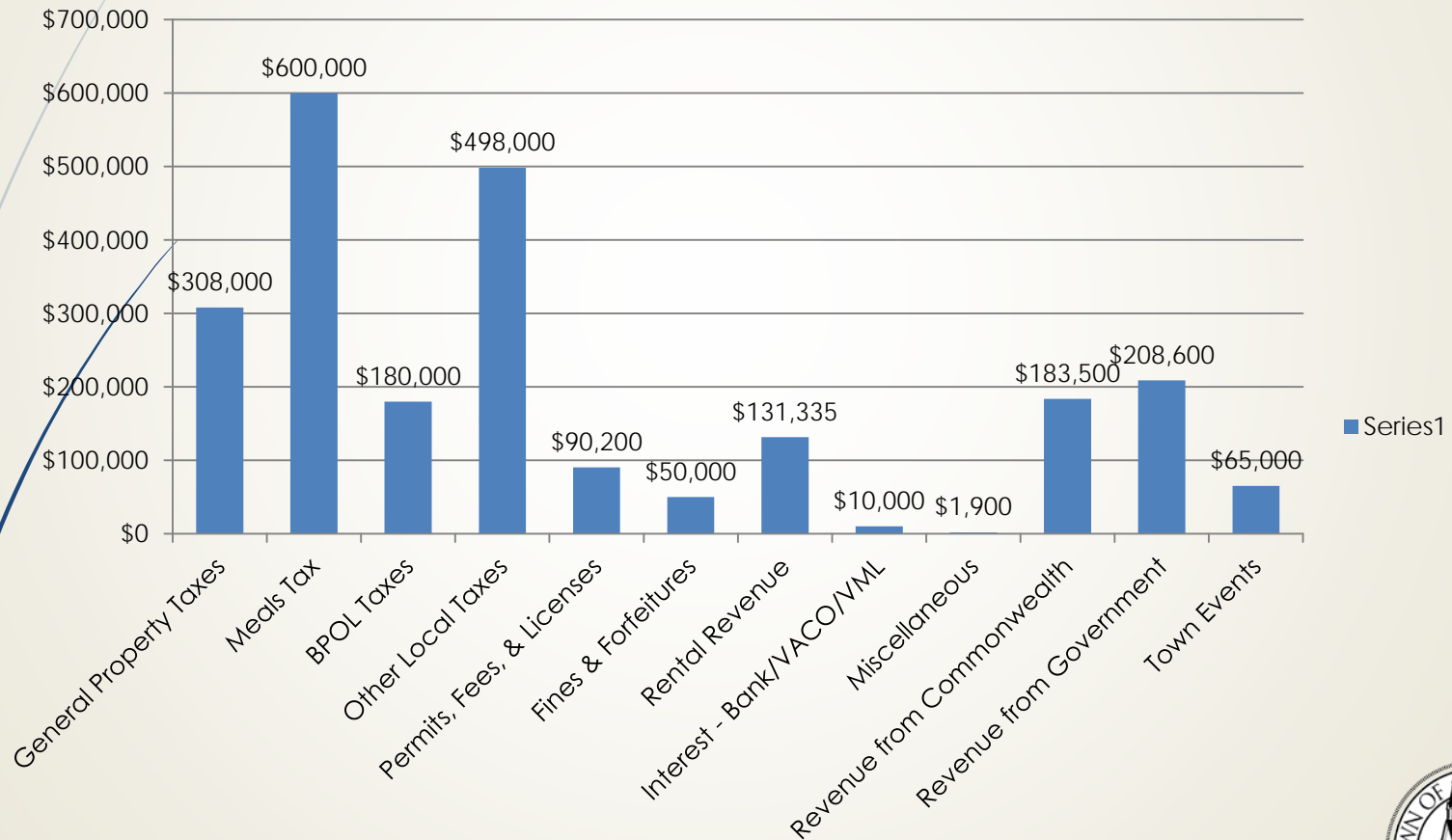
- 2011 -2016 Rates and revenues
- \$90,416 in revenue lost this year alone, or 30% decrease since 2011

Year	Total Assessments	Actual Tax Revenue	Tax Rate	PWC Tax Rate
2011	183,795,500	291,032	0.164	1.236
2012	185,628,400	280,215	0.164	1.204
2013	200,283,498	300,000	0.153	1.209
2014	218,017,668	292,415	0.139	1.181
2015	233,541,300	292,000	0.129	1.148
2016	237,936,941	298,000	0.126	1.122



FY 2018 Draft Budget – Projected Operating Revenues

FY 2018 Projected Operating Revenue



FY 2018 Draft Budget – Projected Operating Revenue

FY018 Projected Revenue	
General Property Taxes	\$308,000
Meals Tax	\$600,000
BPOL Taxes	\$180,000
Other Local Taxes	\$498,000
Permits, Fees, & Licenses	\$90,200
Fines & Forfeitures	\$50,000
Rental Revenue	\$131,335
Interest - Bank/VACO/VML	\$10,000
Miscellaneous	\$1,900
Revenue from Commonwealth	\$183,500
Revenue from Government	\$208,600
Town Events	\$65,000
Total Operating Revenue	\$2,326,535



Current Reserve Fund Balance

Current Accounts	Current Balance
General Checking	\$36,820
Sweep Account (from General Checking)	\$319,553
Money Market Account	\$325,797
Escrow Account	\$916,900
Virginia Investment Pool	\$304,556
<i>Grand Total of Fund Assets:</i>	\$1,903,626*

* As of February 28, 2017



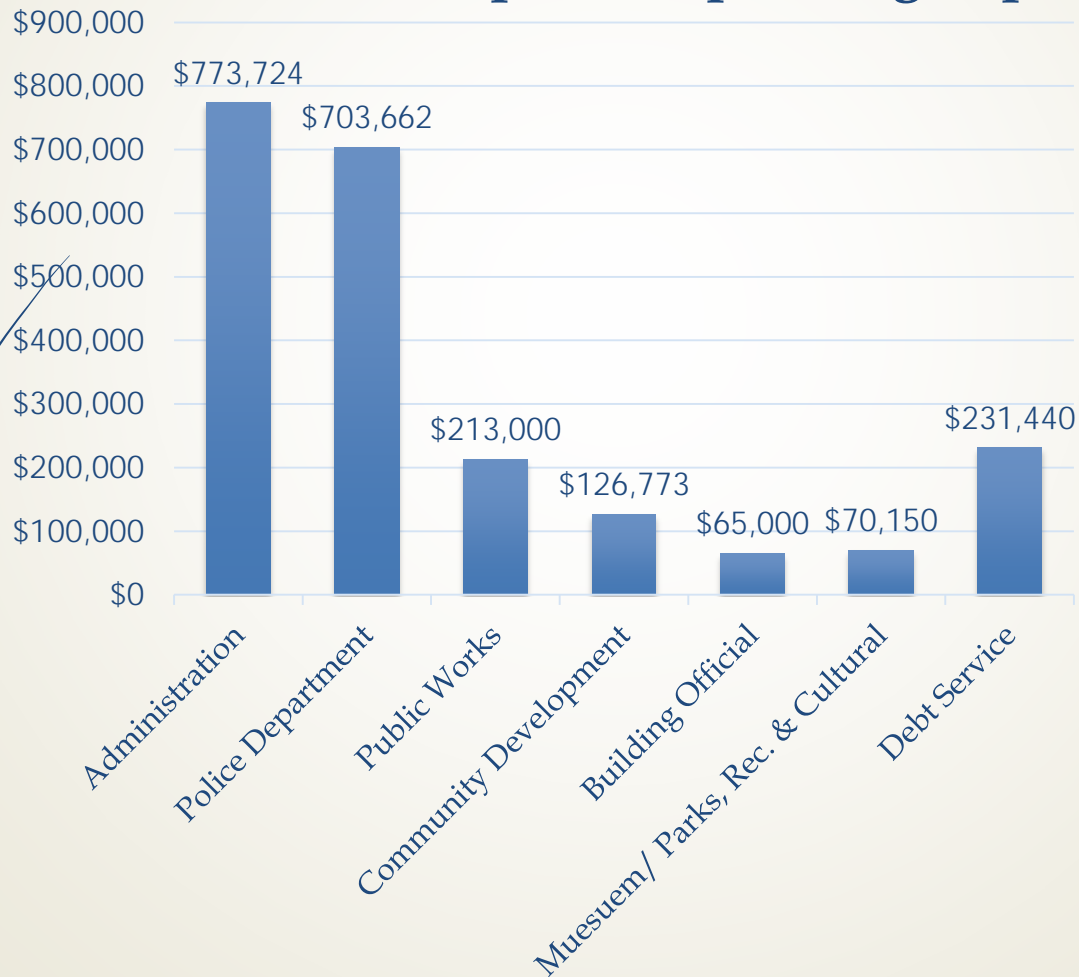
Town-Owned Property

Building	Address	Building Value
Museum	15025 Washington St.	\$247,300.00
Caboose	15025 Washington St.	\$24,353.00
Town Hall	15000 Washington St.	\$1,961,800.00
Copper Cricket	15026 Washington St.	\$615,500.00
Hullfish House	6630 Jefferson St.	\$300,000.00
Old Post Office	15020 Washington St.	\$250,000.00
Haymarket Community Park	14740 Washington St.	\$315,900.00
Part of Community Park	14710 Washington St.	\$162,200.00
	TOTAL:	\$3,877,053.00



FY 2018 Draft Budget – Operating Expenditures

FY 2018 Proposed Operating Expenditures



FY 2018 Draft Budget – General Fund Operating Expenditures

Expenditures by Category	
Administration	\$773,724
Police Department	\$703,662
Public Works	\$213,000
Community Development	\$126,773
Building Official	\$65,000
Muesuem/ Parks, Rec. & Cultural	\$70,150
Debt Service	\$231,440
Pedestrian Improvement	\$267,000
Total Operating Expenditures	\$2,460,749



Staffing- Town Administration and Public Safety

- ▶ Reorganized personnel to align with priorities of improved development services, customer service, and improved efficiencies in administrative services in the Public Safety Department.
- ▶ Proposed FY18 budgetary impact net increase \$25,000 due to required part-time contracted engineering services.

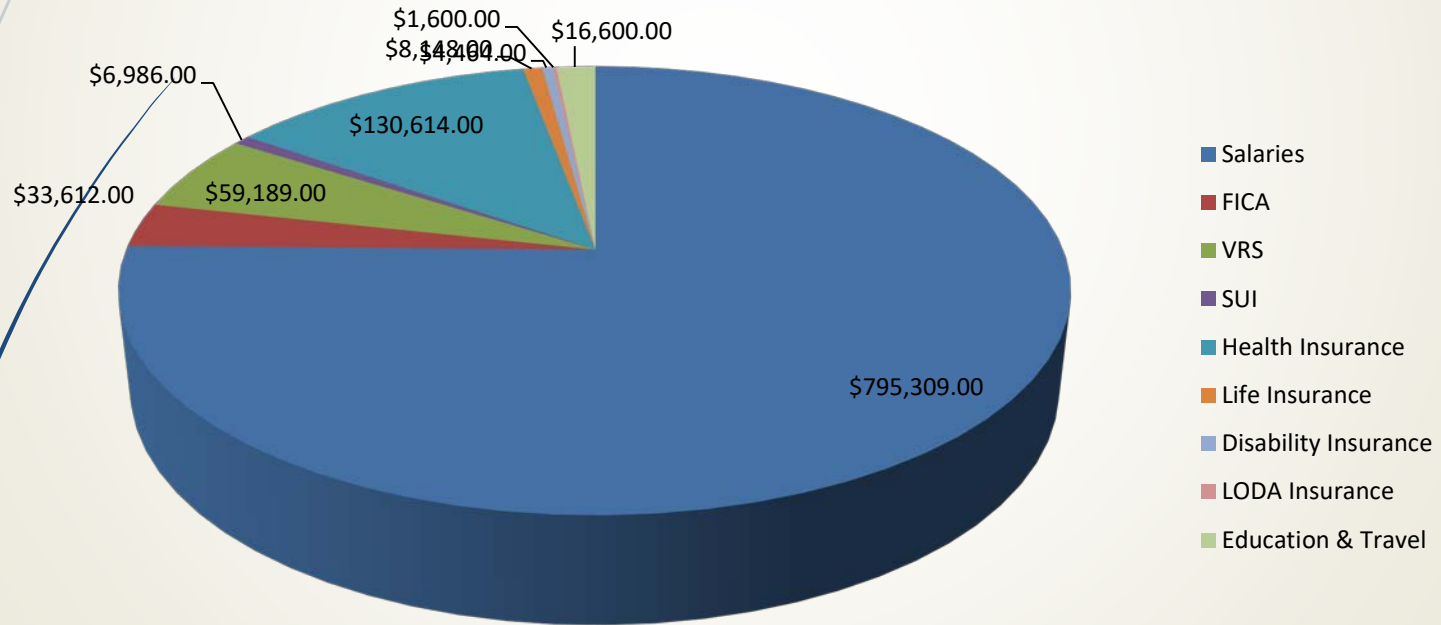
Employees Expenses

Salaries	\$795,309.00
FICA	\$33,612.00
VRS	\$59,189.00
SUI	\$6,986.00
Health Insurance	\$130,614.00
Life Insurance	\$8,148.00
Disability Insurance	\$4,464.00
LODA Insurance	\$1,600.00
Education & Travel	\$16,600.00
Employee Expenses	\$1,056,522.00



Staffing- Town Administration and Public Safety

FY 2018 Proposed Employee Expenses



Health Insurance Options – FY2018

9.22% Increase in Premiums -For Discusson

Employee	Total Prem	EE Portion	ER Cont	9.22% Increase		Contribution amounts		EE Portion	ER Portion	Total Cost
				Increase Amount	Total Year Prem.	EE Portion	ER Cont	Every payroll	Every payroll	Every Payroll
Public Safety	\$ 86,412.00	\$ 11,491.74	\$ 74,920.26	\$ 5,640.00	\$ 72,768.00	\$ 8,304.75	\$ 64,463.25	\$ 319.41	\$ 2,479.36	\$ 2,798.77
Administration	\$ 84,276.00	\$ 15,322.32	\$ 68,953.68	\$ 6,480.00	\$ 91,356.00	\$ 16,609.51	\$ 74,746.49	\$ 638.83	\$ 2,874.86	\$ 3,513.69
	\$ 170,688.00	\$ 26,814.06	\$ 143,873.94	\$ 12,120.00	\$ 164,124.00	\$ 24,914.27	\$ 139,209.73	\$ 958.24	\$ 5,354.22	\$ 6,312.46
	100%	20%	80%							

➔ Estimate \$12,120 increase over last year



Health Insurance Options – FY2018 9.22% Increase in Premiums -For Discusson

- Approximately \$12,120 increase over last year
- **Option 1:** \$4,664.21 The amount the Town will **SAVE** by one less FTE position and passing approximately \$25 a month more in premiums to employee with family coverage and Town continuing to pick up the single premium in full.
- **Option 2:** \$7,664.20 The amount the Town will **SAVE** by one less FTE and having the single employees pick up the \$600 increase for the yearly premium of health care, and employee picking up share of family premium outlined in option 1.
- **Option 3:** \$12,351.58 The amount the Town will **SAVE** by one less FTE position and having the single employees pick up the 20% contribution for the yearly premium of health care, while the Town contributes the remaining 80% of the yearly premium and employee picks up increase to family contribution outlined in option 1.



FY 2018 Draft Budget – Capital Improvement Projects

Capital projects and expenditures include:

- ▶ Town obligated funds to complete Pedestrian Improvement Project- \$78,000
- ▶ Estimated debt service payment for Town Center Project - \$45,000
- ▶ IT server - \$7,000



FY 2018 Draft Budget – Summary

Funding Gap: \$134,215

Projected revenues: \$2,326,535

Projected expenses: \$2,450,749

What is not included in the proposed budget:

- ▶ Future maintenance and capital improvement needs to Town property, park, sidewalks, light poles, and gateway signs.
- ▶ Funds to continue engineering and design of Haymarket Community Park.



Proposed FY 2018 Budget Guidance

- Consider increasing property tax rate incrementally over time to address new and deferred maintenance needs
- Consider increasing BPOL rates for retail and services
- Maintain current meals tax rate of 4%
- Evaluate Current Fee Schedule for Building and Zoning permit fees for modest adjustments



Proposed FY 2018 Budget Guidance

- ▶ Three pronged approach for consideration:
- ▶ 1. Review incremental property tax increase over time to compete with increased inflation; costs for the services we provide; to plan for expenditures to develop the Haymarket Community park; and to maintain the park and town sidewalks and decrease dependence on meals tax.
- ▶ 2. Increase BPOL tax to retail and services, keeping well below PWC rate to remain competitive business location yet maintain our high level of public safety service for our businesses.
- ▶ 3. Allocate 80,000 from Reserve fund for Town portion of Sidewalk improvements on Jefferson Street.
- ▶ Consider deferring capital maintenance on other town owned buildings and sidewalks to FY19 pending capital infrastructure analysis and new potential revenue sources from FY18 planned development to come online or allocate modest amount for immediate repairs.



History of Real Estate Tax Rates and Revenues

1. Review incremental property tax increase over time to compete with increased inflation; costs for the services we provide; to plan for expenditures to develop the Haymarket Community park; and to maintain the park and town sidewalks.

- 2011 - 2016 Rates and revenues
- \$90,416 in revenue lost over last six years or 30% decrease

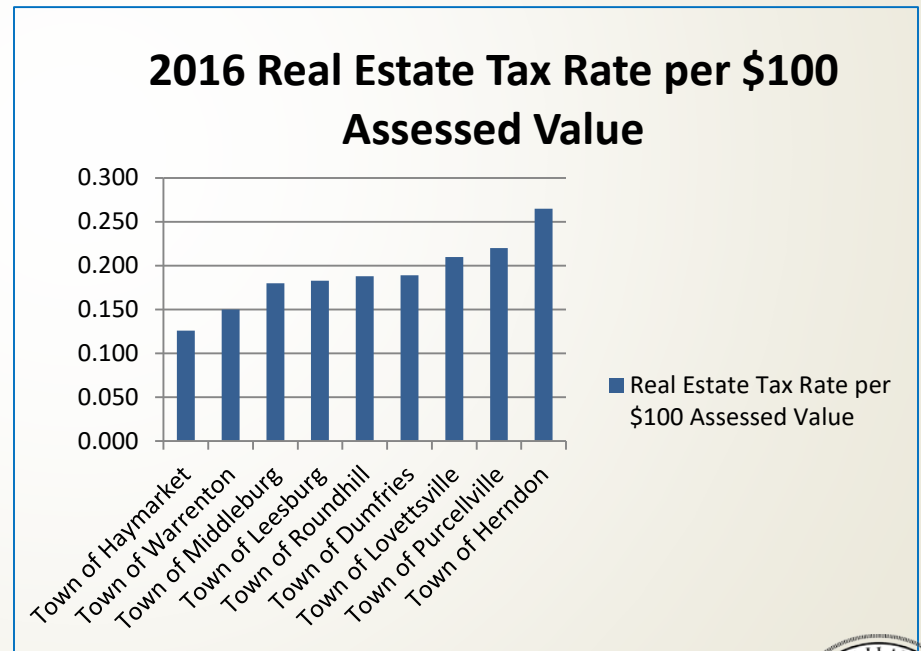
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History of Real Estate Tax Rates and Revenues-

Where we stand against other Towns

Towns	Real Estate Tax Rate per \$100 Assessed Value
Town of Haymarket	0.126
Town of Warrenton	0.150
Town of Middleburg	0.180
Town of Leesburg	0.183
Town of Roundhill	0.188
Town of Dumfries	0.189
Town of Lovettsville	0.210
Town of Purcellville	0.220
Town of Herndon	0.265
Average	0.190



Proposed Budget Guidance- Property Tax Analysis

2017 Tax Assess. - ESTIMATE		\$ 237,018,900.00
FY 2018 Equalized Rate		0.123

<u>Haymarket (.126)</u>	<u>Haymarket (.146)</u>	<u>Haymarket (.166)</u>	<u>Additional Revenue @.126</u>	<u>Additional Revenue @.146</u>	<u>Additional Revenue @.166</u>
\$ 298,643.81	\$ 346,047.59	\$ 393,451.37	\$ 6,643.00	\$ 47,403.78	\$ 94,807.56
	Example: additional tax on	\$400,000 assessed property	-	\$ 80.00 yr	\$ 160.00 yr

- ▶ Even an increase of \$.04 still places us second lowest Town tax rate in Northern Virginia.



Proposed Budget Guidance – BPOL Analysis

2. Increase BPOL tax to retail and services, keeping well below PWC rate to remain competitive business location yet maintain our high level of public safety service for our businesses.

- ▶ Consider increasing business license tax rates for retail and services
- ▶ Currently the Town taxes \$0.10 per \$100 gross receipts keeping well below Prince William County rate of \$0.21.
- ▶ **Justification:** To remain a competitive business location, to provide and maintain downtown amenities (sidewalks, street lights, landscaping) and maintain our high level of public safety service for our businesses.



Proposed Budget Guidance – BPOL Analysis

Based on 2016 BPOL payments, projected revenues

	<u>Gross Reciepts in 2016</u>	<u>0.10</u>	<u>0.15</u>	<u>Additional Revenue</u>
Retail	\$ 23,213,559.00	\$ 23,213.56	\$ 34,820.34	11,606.78
Repair	\$ 6,210,460.00	\$ 6,210.46	\$ 9,315.69	3,105.23
Business	\$ 20,252,787.00	\$ 20,252.79	\$ 30,379.18	10,126.39
Personal	\$ 8,852,780.00	\$ 8,852.78	\$ 13,279.17	4,426.39
				29,264.79



Proposed FY 2018 Budget Guidance

3. Allocate 80,000 from Reserve fund for Town portion of Sidewalk improvements on Jefferson Street.

- ▶ The project may or may not go to construction in FY2018 pending ROW.
- ▶ Consider deferring capital maintenance on other town owned buildings and sidewalks to FY19 pending capital infrastructure analysis and new potential revenue sources from FY18 planned development to come online or allocate modest amount for immediate repairs.
- ▶ In FY18, continue dialog on allocating additional reserves above required 30% to future capital investments, and divestment of some properties, to be discussed and agreed upon.



Proposed Budget Meeting Calendar

Activity	Date	Time
Town Council Budget Work Session	Monday, March 27, 2017	6:00 PM
Town Council Budget Work Session	Monday, April 3, 2017	6:00 PM
Town Council Budget Work Session	Monday, April 17, 2017	6:00 PM
Public Hearing: Proposed FY 18 Budget	Monday, May 1, 2017	7:00 PM
Public Hearing: Proposed FY 18 Tax Rates	Monday May 15, 2017	if BZA meets at 7 PM, 6:00 PM
Adoption of FY 18 Budget and Tax Rates	Monday June 5, 2017	7:00 PM



FISCAL YEAR 2018 DRAFT BUDGET DISCUSSION

TOWN OF HAYMARKET
TOWN COUNCIL
MARCH 27, 2017 WORK SESSION

