



Fiscal Year 2022 – 2023 Budget Proposal

Enclosed is the Town of Gordonsville proposed Fiscal Year 2022-2023 (FY23) budget. The proposed budget as presented is balanced without any proposed increases in fees or taxes.

Funding from the American Rescue Plan Act through the State and Local Fiscal Recovery Fund (SLFRF) is being used to fund payroll expenditures for FY23 in accordance with expenditure guidelines provided by the U.S. Department of Treasury. The resulting offset of General Fund and Water Fund expenditures provides the funding needed for the Town to undertake desired capital projects and programs in FY23 as noted herein.

Prominent expenditures for FY23 include the redevelopment of the parking lot around Town Hall, paving of the front portion of the parking lot at the Gordonsville Business Center, construction of sidewalk and crosswalk improvements in proximity to Gordon Barbour Elementary School as part of a Safe Routes to School grant project, runway rehabilitation at Gordonsville Municipal Airport, the first phases of design and construction plan development for the renovation and expansion of Verling Park, and phase I of a system-wide water meter replacement project. Overall, staff anticipates an 82.3% increase in revenue (due to ARPA and anticipated grant funding) and an 80.8% increase in expenditures for FY23.

The FY23 budget consists of five funds--the General Fund, the American Rescue Plan Act fund, and three Enterprise Funds: The Water Fund, the Pool Fund, and the Airport Fund.

The *General Fund* budget for FY23 is 112.5% more than the budget for FY22 with a total of approximately \$5.2 million. This increase is due largely to the capital projects planned, as noted previously. The General Fund for FY23 includes \$952,210 for operational costs; \$14,250 in donations; \$148,970 for debt; \$1,600,750 for anticipated grant funds pass-through; \$2,488,610 allocated to capital outlay, and no transfer to Capital Reserves.

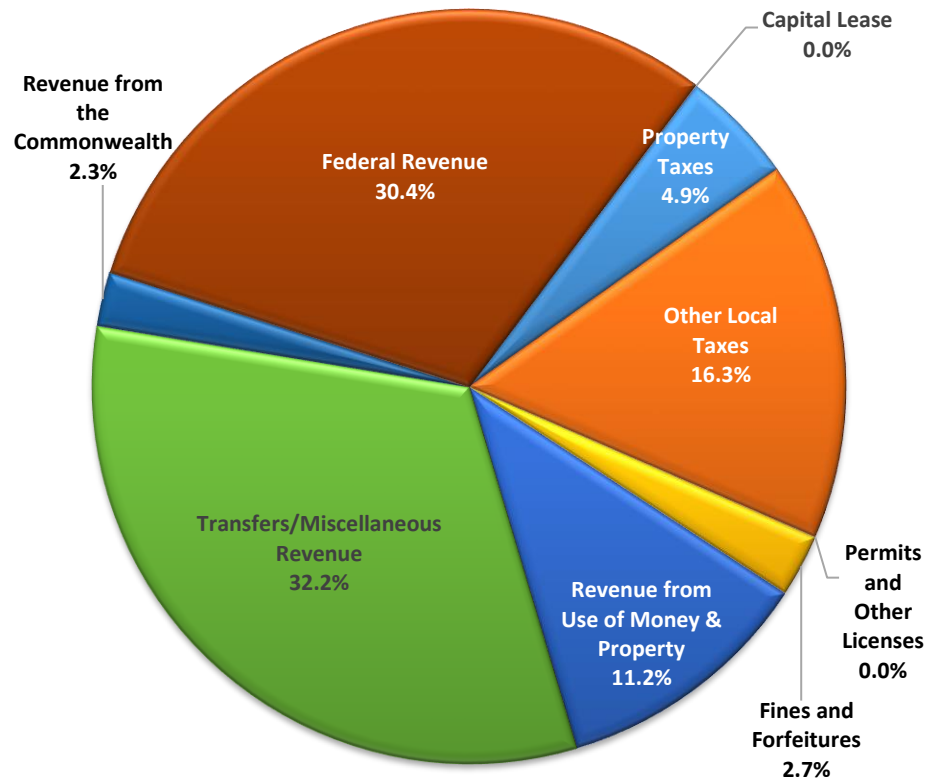
The *Water Fund* budget remains flat as compared to the budget for FY22 with a total of nearly \$1.53 million. The Water Fund for FY23 includes \$1,061,092 for operational costs; \$118,700 for debt; \$353,088 for capital projects and no transfer to Capital Reserves.

The *Pool Fund* budget is projected to increase 20% above that for FY22 with a total of \$26,400. This increase is due to anticipated use of the pool during the 2022 summer season after being closed due to COVID-19 and a lack of staffing for the past two years. A transfer of approximately \$19,250 from the General Fund is needed to balance the Pool Fund.

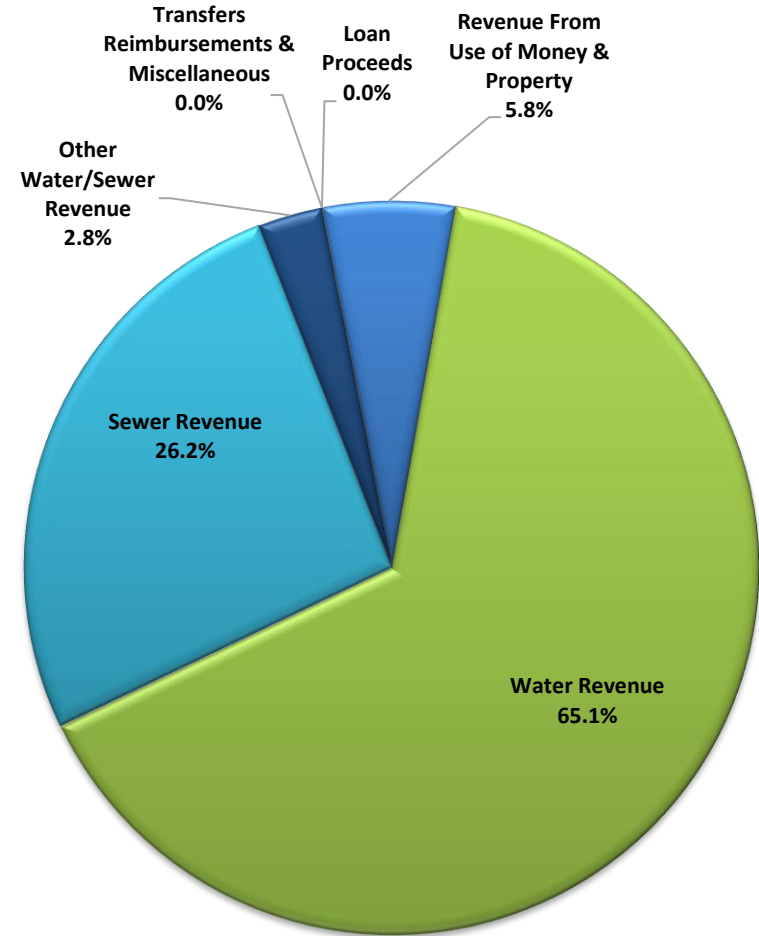
The *Airport Fund* is 4.9% more than FY22 with a total of \$1,431,920. Included in the Airport Fund are \$40,490 for operational costs; \$1,150,300 for anticipated funding from state grants; and \$241,130 allocated to capital outlay for the Town's share of grant projects, including construction of runway repair. A transfer of \$238,900 from the General Fund is needed to offset this expense.

Highlights of the FY23 budget proposal, including long-term capital project considerations, can be found on the following pages.

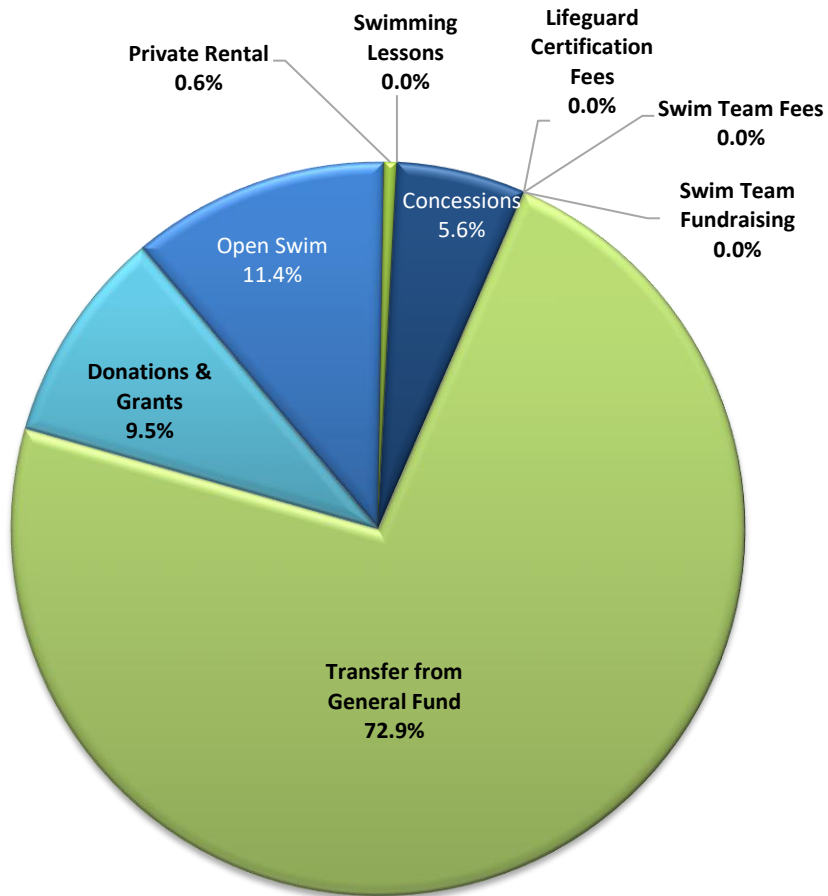
GENERAL FUND REVENUE



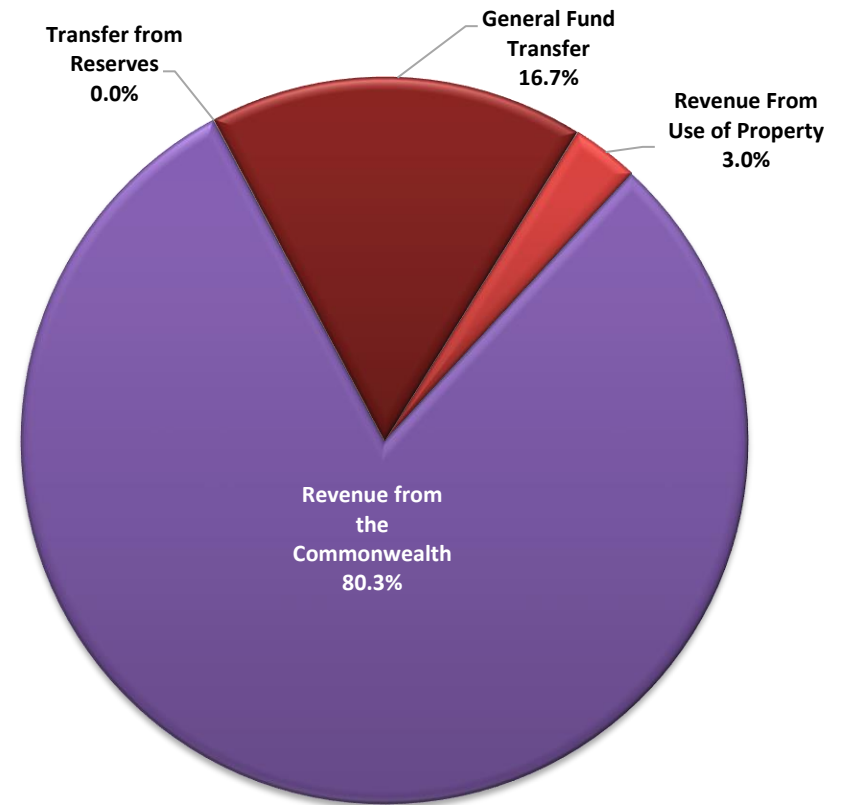
WATER FUND REVENUE



POOL REVENUE



AIRPORT REVENUE



REVENUE SUMMARY

General Fund Revenue Trends

Based on historical and year-to-date collections, staff anticipates an overall 8% increase in tax revenues from FY22 levels. **Real estate and personal property tax** collections are expected to increase modestly; infrastructure improvements, new development (East Gate Village II) and higher vehicle values are projected to keep tax collections on the increase. According to the Treasurer's office, real estate tax collections are at 82%, while personal property tax collections are at 87%. The amount of bank stock tax expected for FY23 is based on the bank stock tax payment received from Blue Ridge Bank in FY22—an amount significantly above that budgeted for FY22 and reflective of the bank's ability to successfully establish itself within the community.



Projected **sales tax** revenue for FY23 is approximately 4.5% higher than that budgeted for FY22. Year-to-date collections of sales taxes for FY22 are on track for what was budgeted for the fiscal year, and economic activity and business investment in the town and the county are strong despite the continued presence of COVID-19. However, inflation stemming from supply-chain issues and global geopolitical concerns is increasing the price of goods and services and will likely cause consumerism to moderate.

Meals tax collections in FY22 have improved despite the continued presence of COVID-19. With cases trending downward and broadly-available vaccinations, patrons are more comfortable with dining out. Champion Ice House and East of Maui coffee shop, two dining establishments that opened in 2021, round-out the dining options available in town and are expected to support continued meals tax revenue growth in FY23.

Revenue from **finances and forfeitures** budgeted for FY23 are based on historical and year-to-date collections, and are projected to be approximately 16.7% higher than that budgeted for FY22.

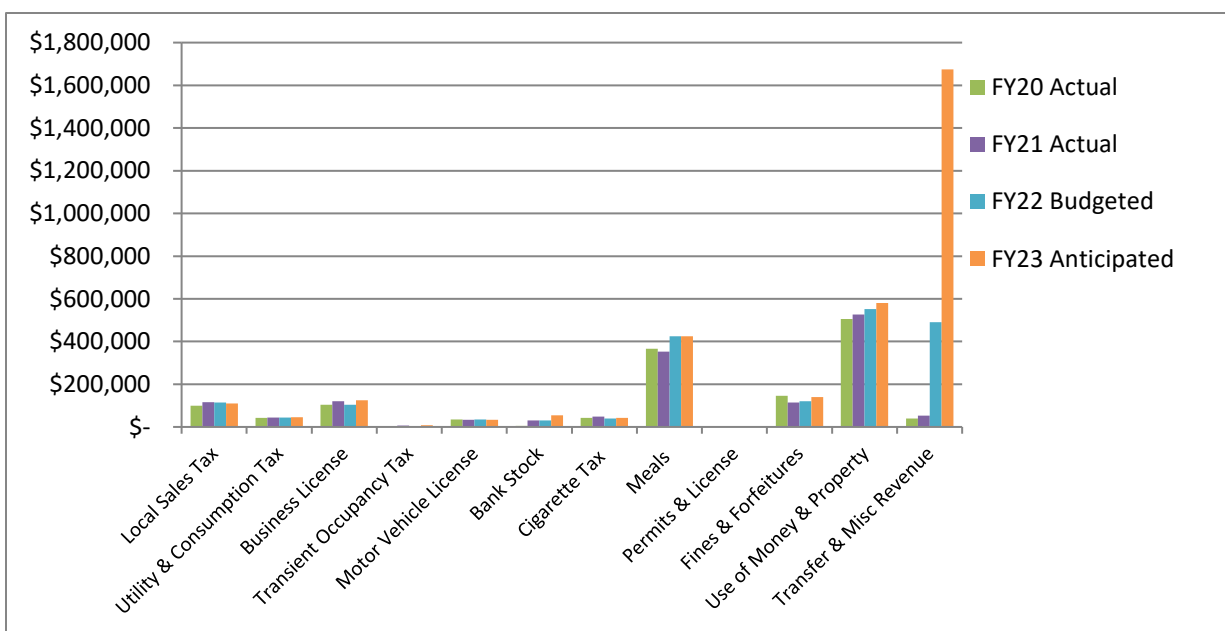
Revenue from the use of money and property includes interest earned, which has decreased significantly over the past couple of years due to the drop in interest rates in 2020. Most interest earned comes from the Town's funds deposited into the Local Government Investment Pool (LGIP). Recent action by the Federal Reserve to begin increasing interest rates to slow the rate of inflation will help increase interest earned over the next year and the amount budgeted reflects this projected increase. This revenue category also reflects rent paid to the Town for the lease of its two residential properties

and the spaces available for lease within the Gordonsville Business Center. As all spaces in the GBC are now leased. Overall, this category is expected to increase by 5.3% in FY23.

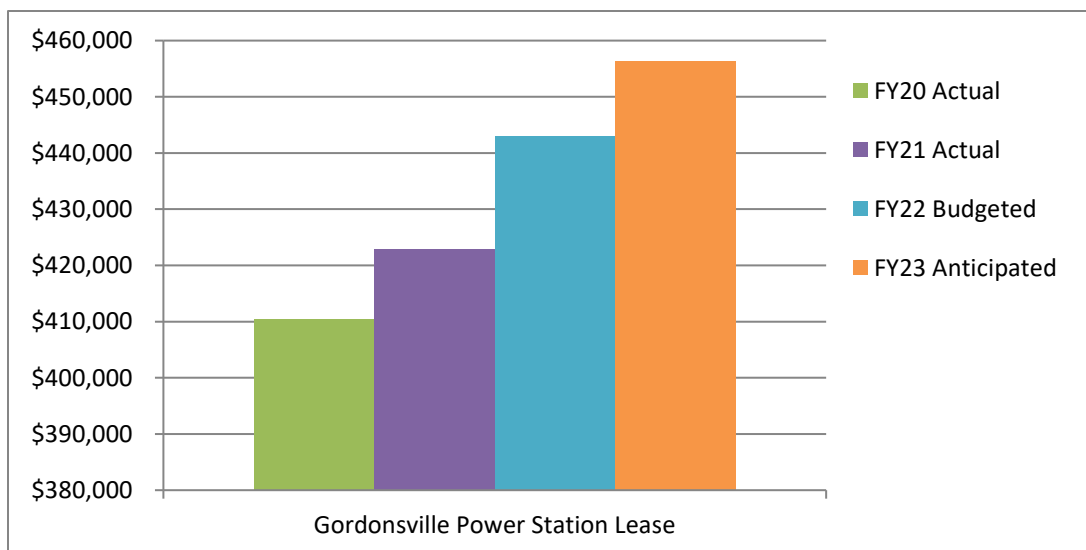
The **miscellaneous revenue** category includes revenue from various donations, fees and scholarships. For FY23, the Safe Routes to School project donation from Orange County Public Schools is included, as is anticipated scholarship funds from the Virginia Local Government Management Association and the Virginia Risk Sharing Association for the Town Manager to attend the UVa Senior Executive Institute in 2023. Also included in this revenue category are the funds pledged and donated by the community to support the Town’s Land and Water Conservation Fund Grant application for the redevelopment of Verling Park.

For **599 funds**, the projected FY23 revenue amount shown is based on year-to-date revenue and what was budgeted for FY22.

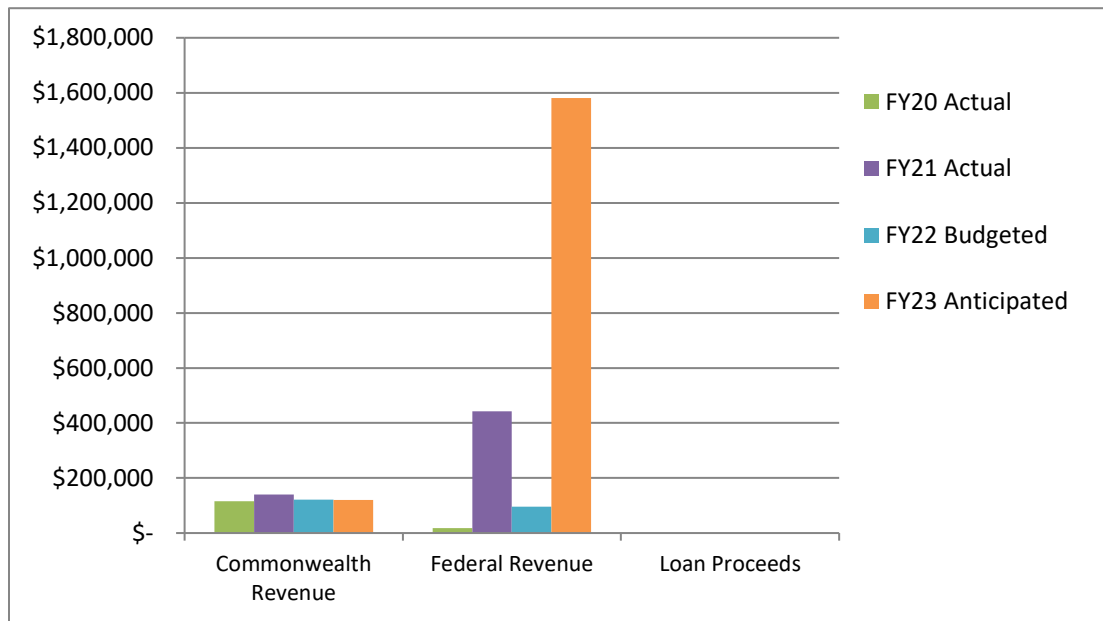
The chart below illustrates the trends in revenue from FY20 to FY23.



Gordonsville Power Station lease revenue projection reflects the annual 3% escalation that is in the lease agreement.

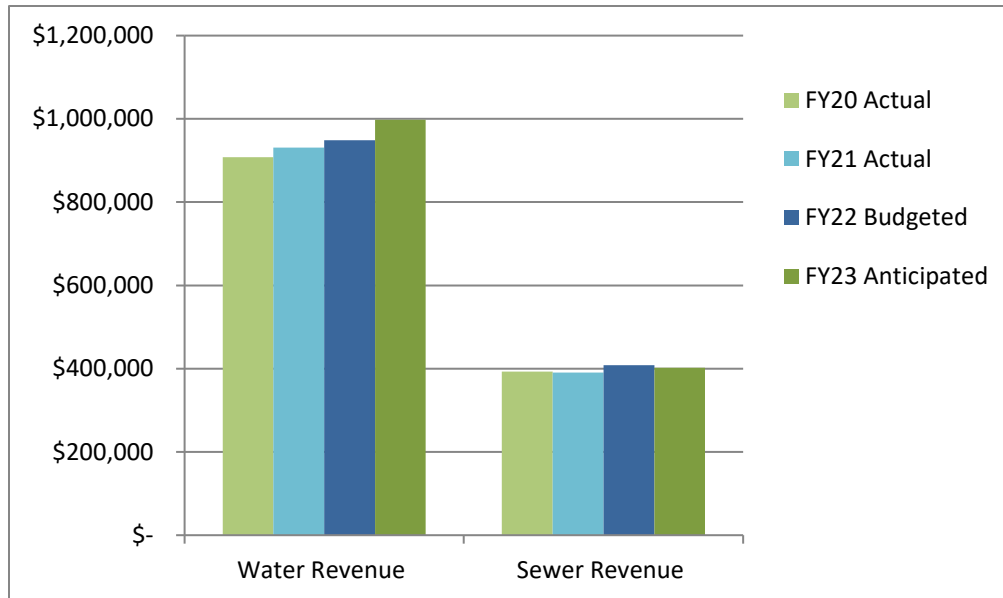


General Fund **grant** revenue category for FY23 includes the federal grant funds anticipated from the Land and Water Conservation Fund grant application the Town submitted to the Department of Conservation and Recreation on March 15, 2022.



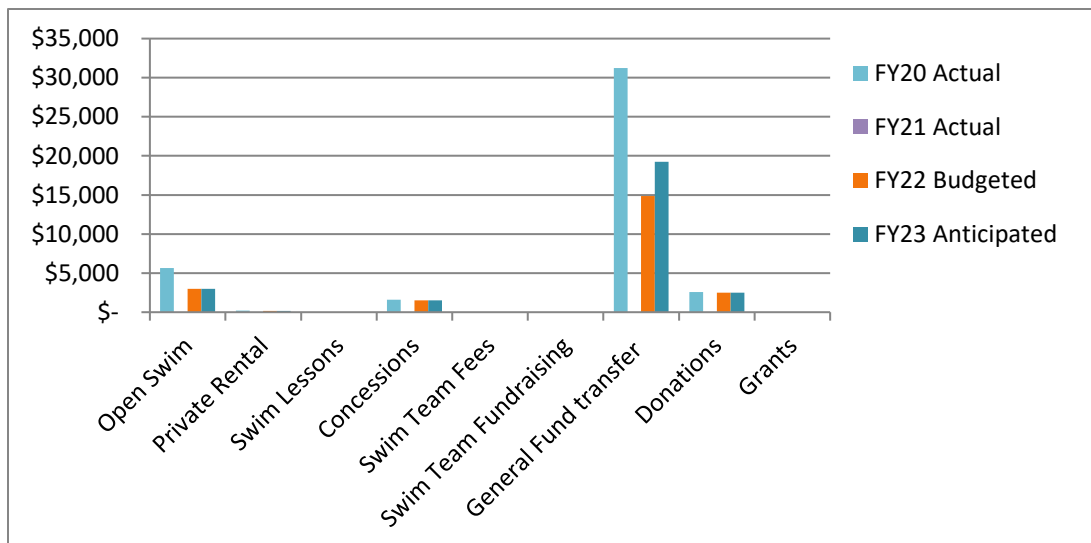
Water Fund Revenue Trends

Water and sewer revenue projected for FY23 is based on FY22 year-to-date collections—water revenue is projected to increase 5.2%, while sewer revenue is projected to decrease 1.5%. This revenue includes \$20,000 in availability fees that are based on the number of homes projected to be added to the Town’s water system in FY23. Water and sewer service at East Gate Village II is expected to come on-line in FY23. Water meter replacements system-wide will more accurately measure water usage, contributing to the projected increase in revenue.



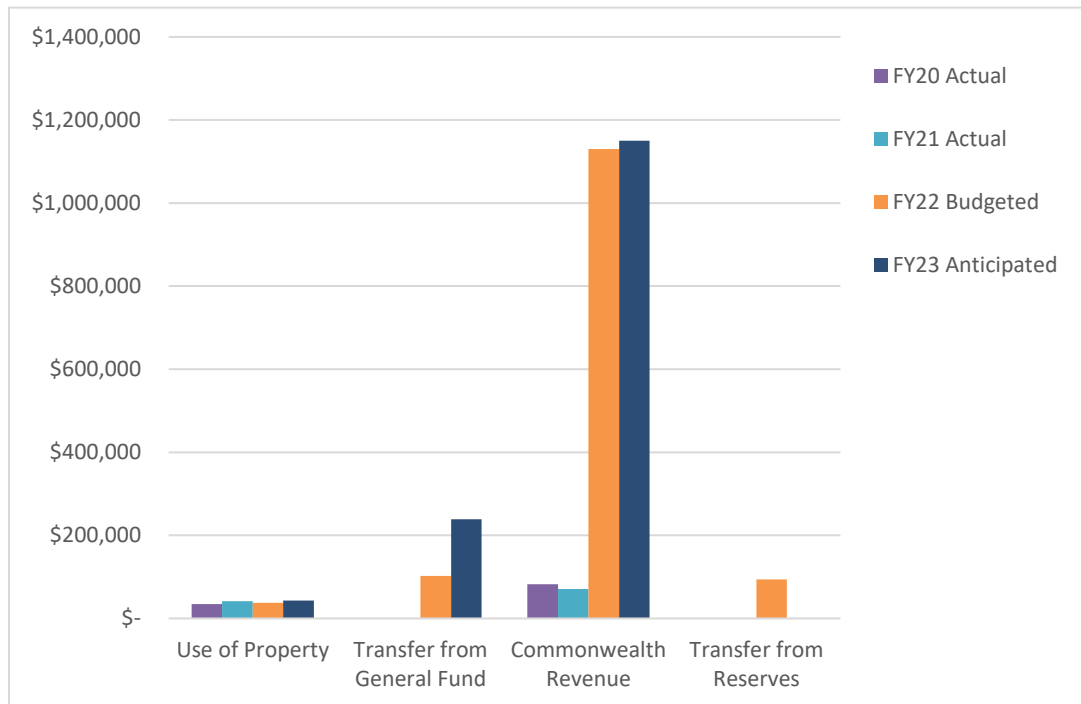
Pool Fund Revenue Trends

The Pool Fund is balanced with no proposed increases to rates or fees, and revenue includes a \$19,250 transfer from the General Fund. After being closed for two years due to COVID-19 and a lack of staff, the pool is expected to open for the 2022 season. Funds budgeted are for revenue anticipated from July through early September. Due to park and pool redevelopment anticipated in 2023, the pool is not expected to open and funds are not budgeted for the 2023 season. There will be no swim team for the foreseeable future unless and until the community petitions the Town to create a team that meets the minimum requirements of the Jefferson Swim League. As such, revenue from swim team activities is not included in the FY23 budget.



Airport Fund Revenues

All hangar space at the airport is leased; revenue from hangar rental is anticipated to be approximately \$43,000 for FY23. Grant funds for capital projects at the airport are available from the Virginia Department of Aviation and have varying cost-share splits depending on the type of project. For FY23, \$1,150,300 in grant funds is budgeted for runway rehabilitation, triennial inspections of the Automated Weather Observing System (AWOS), and repainting of the rotating beacon structure. Staff suggests a transfer of \$238,900 from the General Fund as the local funds needed for the runway rehabilitation project in FY23.



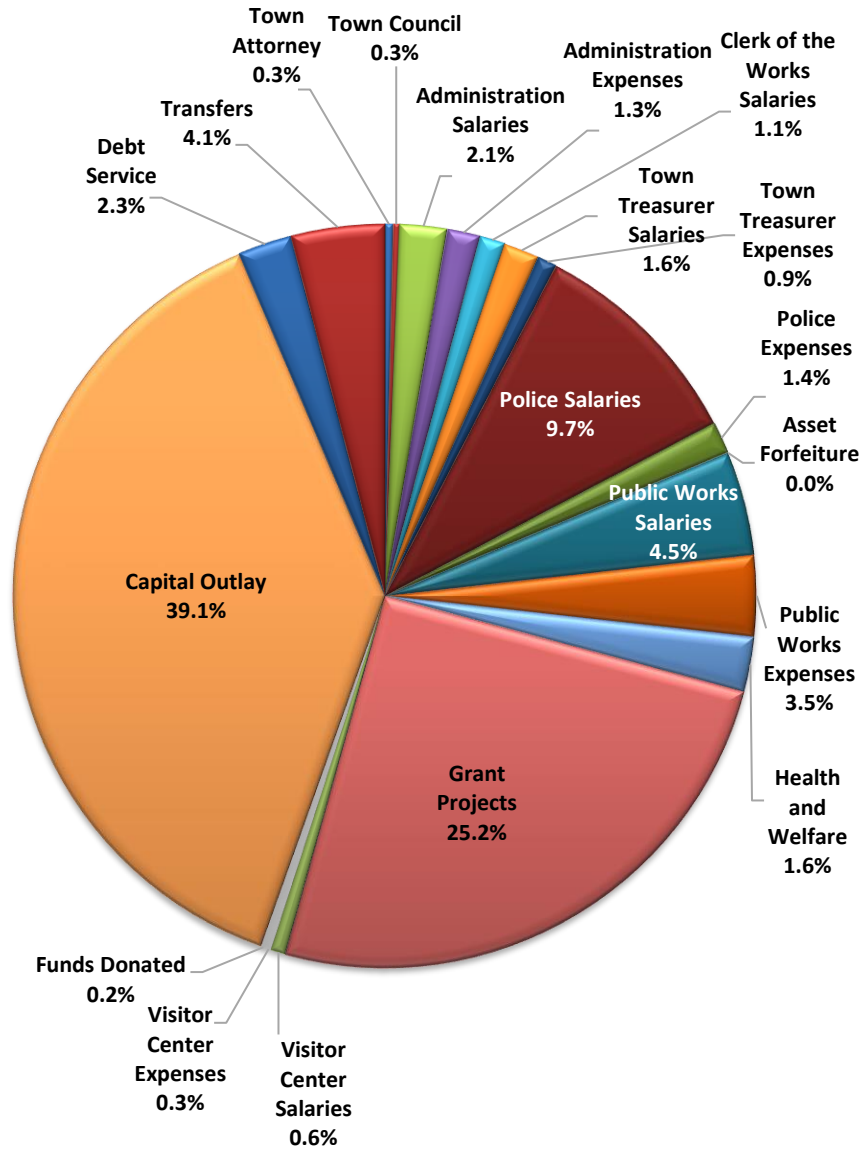
American Rescue Plan Act Fund Revenue

The Town is receiving \$1,684,928 in federal State and Local Fiscal Recovery Funds through the American Rescue Plan Act (ARPA) approved by the U.S. Congress on March 7, 2021. The U.S. Department of Treasury issued the first tranche of funding (\$842,464) to the Town at the end of June 2021. The second tranche of funds (\$842,464) will be received by the Town in June 2022. Funds are being held in the Town's Local Government Investment Pool fund until they are appropriated for expenditure.

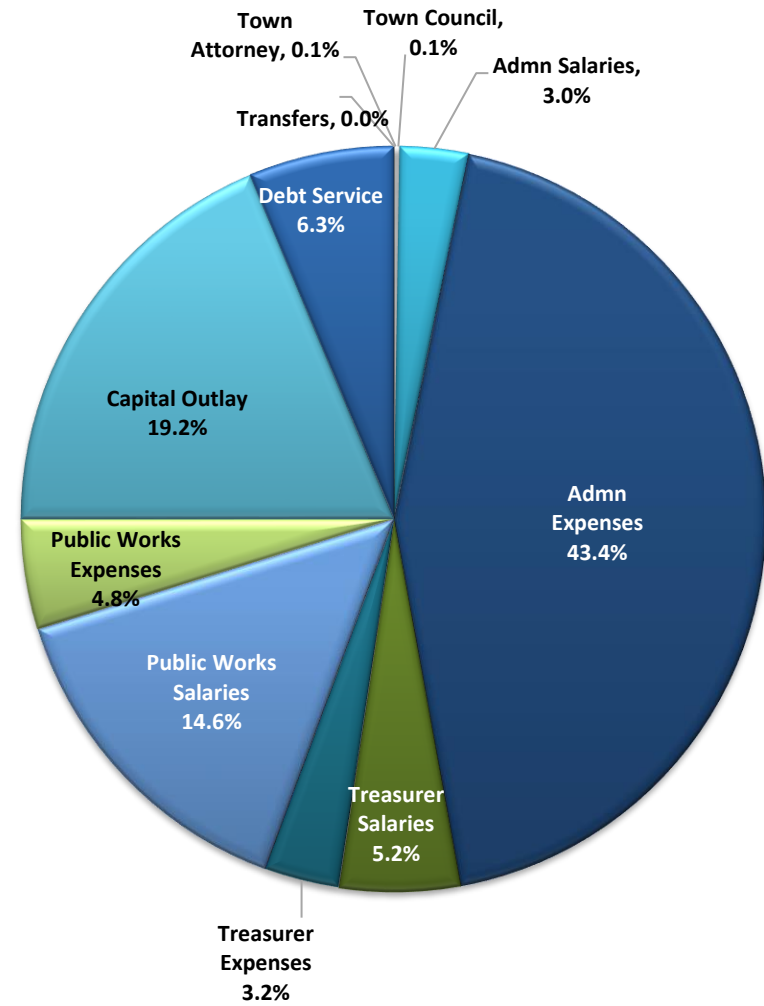
Staff will be requesting the appropriation of \$34,000 of these funds to the FY22 budget to cover park network design consultant fees expected to be incurred in the spring of 2022 and costs associated with the purchase of three used vehicles for the Police Department, leaving \$1,650,928 to be expended.

For FY23, staff requests that \$1,513,428 of the remaining \$1,650,928 in ARPA funds be appropriated as revenue to the FY23 budget. Corresponding expenditures will be discussed in the Expenditure section of this report.

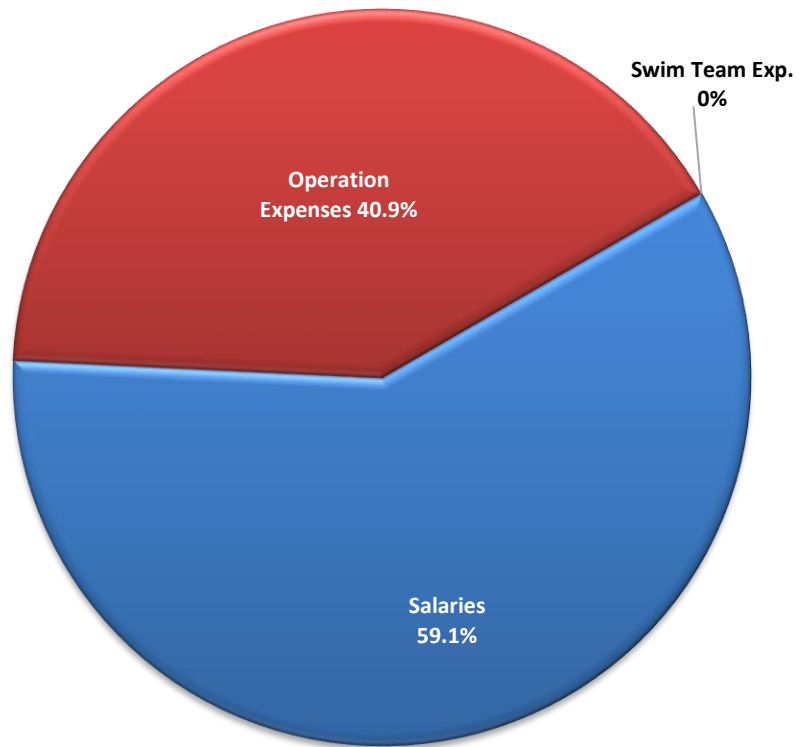
GENERAL FUND EXPENDITURES



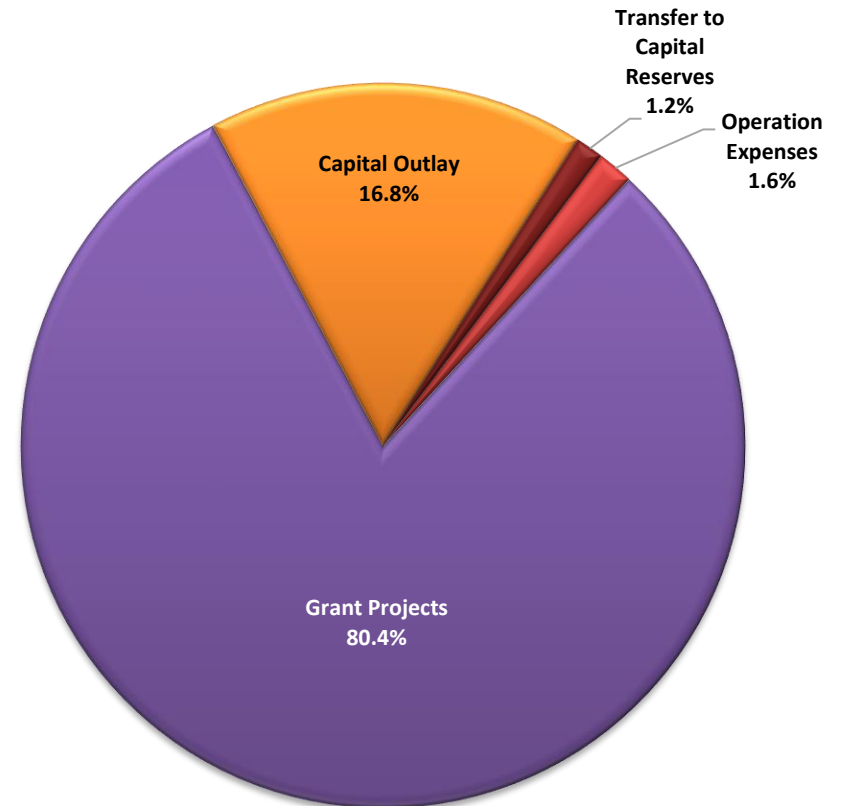
WATER FUND EXPENDITURES



POOL FUND EXPENDITURES



AIRPORT FUND EXPENDITURES



EXPENDITURE SUMMARY

Salary Expenses

For FY23, health insurance rates will increase approximately 8.6%. Rates for the employer's contribution to VRS will decrease from 14.31% to 12.07%, and the VRS Group Life Insurance rate will remain at 1.34%. Workers compensation rates are decreasing for FY23, but overall costs are projected to increase due to the Town's recent claim experience.

Pay Scale

The pay scale for the organization has not been increased since 2012 when salaries across the board were raised 5% to offset newly mandated employee contributions to VRS. Since 2012, the consumer price index nationally has increased nearly 25%; salaries in our organization have not kept pace with this increase. On January 1st, the minimum wage in Virginia increased to \$11 per hour, and it is projected to increase \$1 per hour per year for the next four years, reaching \$15 per hour by 2026.

There are several impacts being realized as a result of this lag. Long-term employees are reaching the end of their pay scale for the grade of their position. Additionally, the Town has difficulty recruiting and retaining employees as many surrounding localities and local retailers offer starting salaries for entry-level positions that are higher than what the Town offers (see chart below). Inflation has caused the cost of living to increase—employees are beginning to seek employment elsewhere to make ends meet. Recruiting and retention in our Police Department is particularly affected given today's cultural biases against law enforcement.

Locality	Position			
	Police Officer recruit	Deputy Treasurer	Town Clerk	Laborer
Gordonsville	\$32,340	\$25,340	\$35,655	\$21,889
Cape Charles (town)	\$34,591	\$40,042	\$56,345	\$24,583
Amherst (town)	\$40,244	\$35,817	\$51,518	\$34,262
Orange (town)	\$39,606	\$34,213	\$61,440	\$25,530
Louisa (town)	\$45,696	\$28,722	\$48,867	\$24,444
Scottsville (town)	\$40,000		\$45,000	\$47,750
Middleburg (town)	\$52,000			

Non-locality/retailer	Officer	Cashier
UVa Security	\$39,500	
Walmart		\$31,200
Chick-fil-A		\$32,240
McDonald's		\$30,825

To remedy this, and to make Town salaries more competitive with other organizations and businesses in our region, staff is proposing an overall 15% increase in the pay scale for the organization for FY23. To avoid salary compression, all employees would receive a 15% pay increase in FY23. Staff is also proposing the addition of two merit levels, merit level 13 and 14, to the end of the pay scale to give employees who are near the top of their pay grade more room to progress. Increasing the pay scale in

this regard will bring the starting salary of the lowest-graded position in our organization to just over \$12/hour, and will also make the starting salaries in our organization competitive with that of surrounding localities. The draft pay scale provided in Tab 4 of the budget notebook reflects this change.

Staff believes this pay increase will be sustainable beyond FY23 as the Town's VRA loan will be paid off in FY23, freeing up over \$100,000 annually in the Town's budget.

Payroll and the American Rescue Plan Act Fund

Payroll expenditures are considered an eligible expense of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) issued to localities through the American Rescue Plan Act. Specifically, such expenditures fall under the Revenue Replacement – Provision of Government Services category. Additionally, the provisions of the Final Rule for ARPA expenditures released by U. S. Treasury on January 7, 2022 allow localities to take a one-time \$10M exemption for Revenue Replacement rather than calculate it using the provisions outlined in the Final Rule (which could result in a lower amount of revenue replacement funds). This means that localities may use all of the funding they receive, up to \$10M, for revenue replacement – provision of general services. Local government employees are considered vital to the provision of government services. As such, funding payroll expenditures is a valid use of ARPA funds in the revenue replacement category—staff has confirmed this with the Town's auditors.

For FY23, staff recommends that funds from the American Rescue Plan Act be used to fund payroll expenses for all departments in both the General Fund and the Water Fund. The funds displaced in this regard may then be used to implement the capital projects and programs desired by the Town. These items are further discussed under the Operations and Capital Outlay sections of this report.

Administration

For FY23, the General Fund and Water Fund split for Administration expenses will remain at 70/30 to reflect the division of duties of the department. Salary expenses are projected to increase due to the addition of the Town Manager to the Town's health insurance policy.

Clerk of the Works

For FY23, funds are included in the budget for the hiring of a Clerk of the Works to oversee the parking lot redevelopment project and other projects as needed. The amount budgeted includes salary, FICA and health insurance.

Police Department

The projected salaries for the police department for FY23 are based on 171 hours worked per month per officer; officers currently work 168 hours per month, on average, to maintain 24-hour coverage for the town. No new positions are requested for the department.

Public Works Department

For FY23, the General Fund and Water Fund split for Public Works Department expenses will remain at 50/50 to reflect the division of duties of the department. No new positions are requested for the department.

Treasurer's Department

The General Fund and Water Fund split for Treasurer's Department expenses will remain at 50/50 in FY23 to reflect the division of duties of the department.

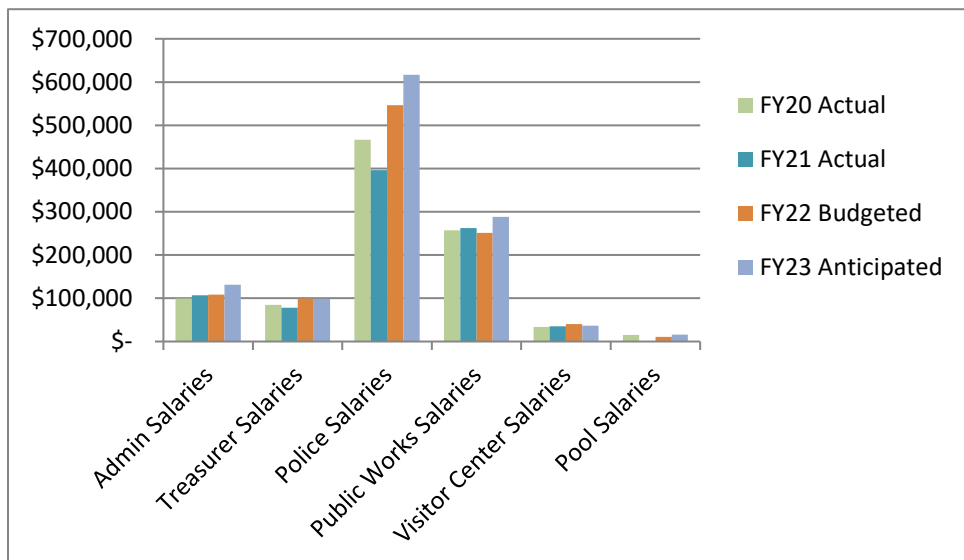
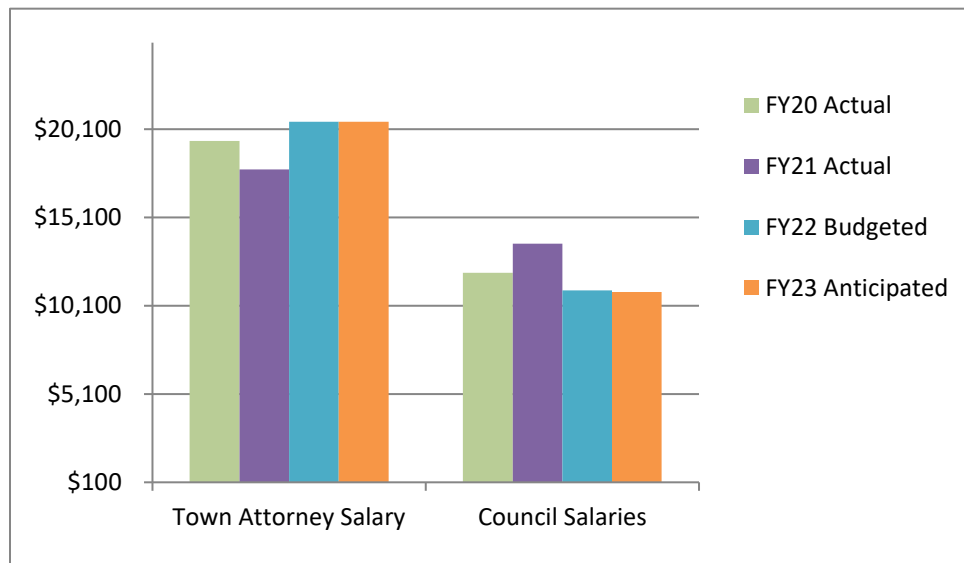
Line of Duty Act Coverage

Premiums paid for the Line of Duty Act benefit provided to all Town Police Department employees are projected to increase approximately 11% in FY23.

Visitor Center

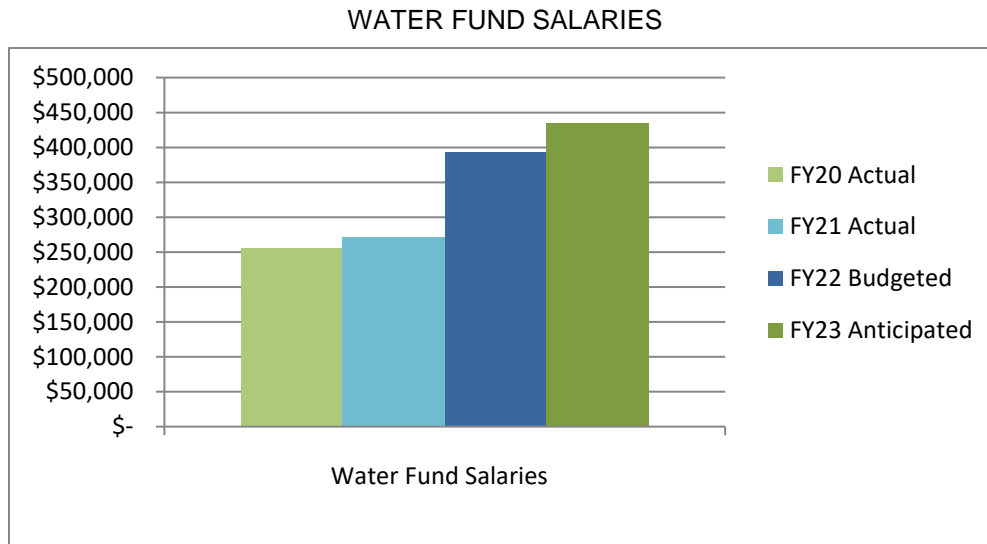
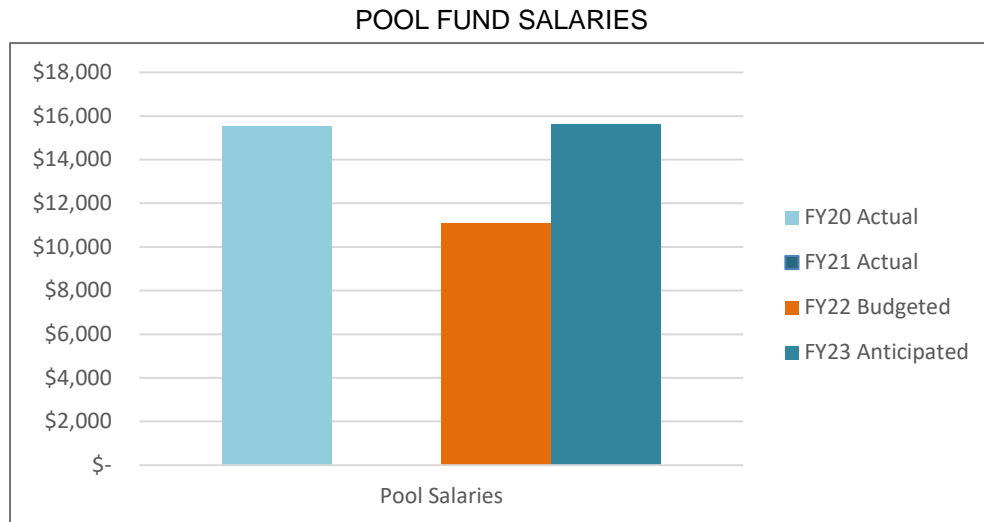
The Visitor Center Director continues to work 34 hours a week, year-round, as the Center is open six days a week and visitor numbers have increased significantly. The Director continues to be actively involved in other tourism and economic development efforts year-round, and engages in event planning for the Fried Chicken Festival and the Chicken Festival 5K run during the winter months. The FY23 budget includes continued health insurance coverage for the Director.

GENERAL FUND SALARIES



Admin. Salaries split 70/30 GF/WF; Treasurer and Public Works salaries are split 50/50 between funds.

For FY23, pool salaries are budgeted to be consistent with FY20 levels—if enough staff is hired to open the pool for the 2022 season, the pool will likely be open 4-5 days a week. Guard staffing levels will remain consistent to enable flexibility in guard scheduling and ensuring adequate coverage to meet the American Red Cross standard of one guard per 15 swimmers. Because of anticipated renovations, the pool is not expected to be open for the 2023 season.



The chart above reflects trends in water fund salaries from FY20-FY23.

Operational Expenses

Administration Expense Line Items

Administration expenses are projected to decrease 56.3% in FY23, largely due to the decrease in the Administration General Fund *Professional Services* line item. Funds are included in the General Fund *Building and Maintenance Contractual* line item for the replacement of the hardware on the front doors of Town Hall. Funds are included in the General Fund *Schools* line item for the Town Manager to attend the University of Virginia Senior Executive Institute in the summer of 2023. Most of this expense is expected to be offset by scholarships from VLGMA and VRSA.

Treasurer Expense Line Items

Overall expenses for the Treasurer's department are projected to remain level in FY23. The Town's auditing firm and accounting consultant have both indicated an increase in their fees for FY 23 and funds have been budgeted to accommodate those expenses. Funds are budgeted for a new printer for the Treasurer, as well as a new drop box to be placed behind Town Hall (after the parking lot project is completed). Funds have again been budgeted in the Treasurer's *Computer Software & Maintenance* line item for the conversion of real estate and personal property tax files provided by the Orange County Commissioner of the Revenue. Because the files provided by the County are generated with an accounting software program that is different from the Bright system used by the Town, the files have to be converted before tax billing can take place.

Police Department Expense Line Items

Expenses for the Police Department are expected to increase 11.5% in FY23, largely due to the increase in fuel costs and computer software maintenance expenses. Funds are also budgeted for the implementation of the accreditation process for the department.

Public Works Department Expense Line Items

FY23 expenses for the Public Works Department are projected to decrease 1.8%, largely due to the reduction in funds needed in the *Town Beautification* line item, the *Park Maintenance* line item, and the *Christmas Decoration* line item. For FY23, funds are budgeted in the *Building Maintenance – Contractual* line item for general maintenance of the new public works building and includes janitorial, extermination and alarm system services, as well as maintenance of the building roof and HVAC system. Funds are also budgeted in the *Rental Property Maintenance* line item for maintenance and repair at the Town's two residential rental properties, as well as the space to be leased in the Gordonsville Business Center. Specific items included here are HVAC maintenance and property extermination. Funding for the next phase of wayfinding signage production and installation is included in the *Directional Signs* line item. Fuel expenses and equipment repair expenses are expected to increase in FY23.

Health and Welfare

Funds are included in this category for Tax Relief for the Elderly, as well as broadband connection fees to be made available to citizens who qualify for assistance once a program has been established by the Town. The broadband connection fees are afforded as the result of funds offset by the ARPA funding of payroll expenses for the organization.

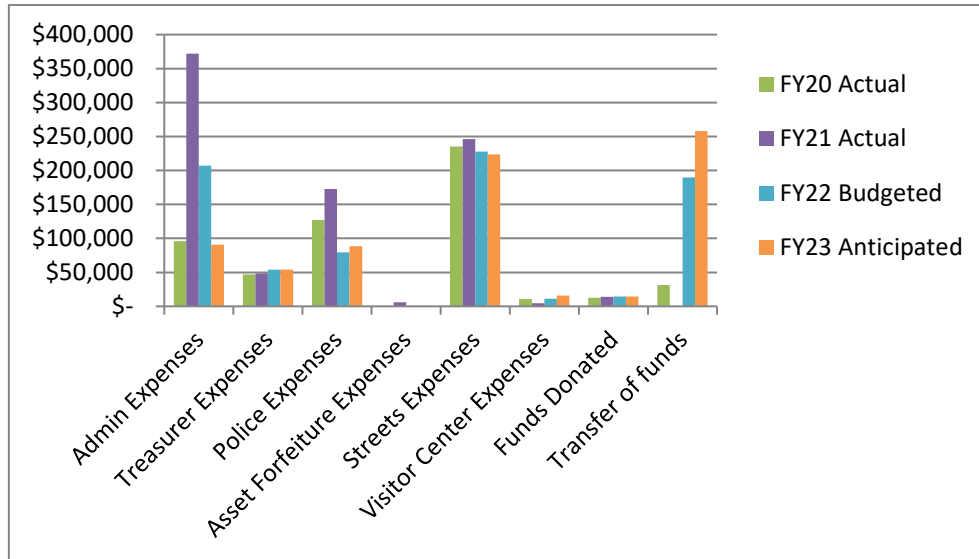
Visitor Center Expense Line Items

Visitor Center expenses are projected to increase 45.5% in FY23, due to funds budgeted for the creation of a historic district walking tour. The historic district walking tour is afforded as the result of funds offset by the ARPA funding of payroll expenses for the organization.

Funds Donated

Funds donated by the Town to various community groups remain the same in FY23.

GENERAL FUND OPERATIONAL EXPENSES

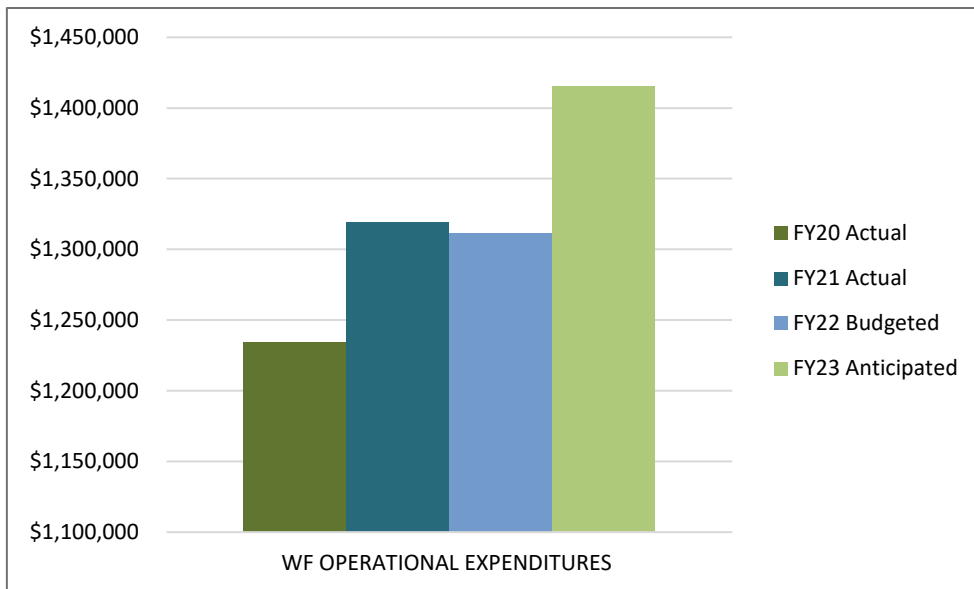


Admin. expenses split 70/30 GF/WF; Treasurer and Public Works expenses are split 50/50 between funds.

Water Fund Expenses

Water fund operational expenses are projected to increase 8% in FY23—generally speaking, increases in gas & oil, as well as material and supply costs, are responsible for this increase. The Town’s payments to the Rapidan Service Authority for both water and sewer service are budgeted here.

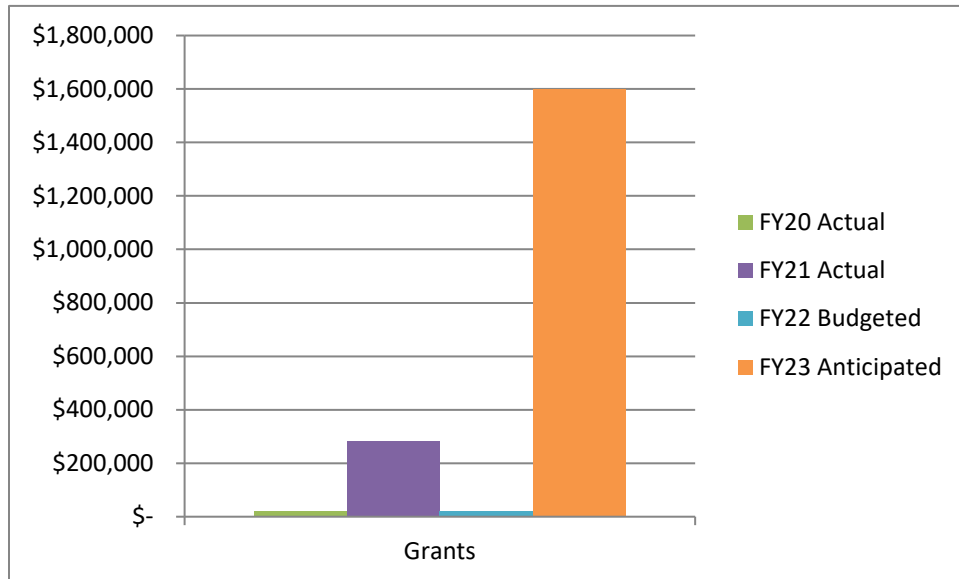
WATER FUND OPERATIONAL EXPENSES



Grants

Grant project funding is projected to increase significantly in FY23 due to funds anticipated from the Land and Water Conservation Fund grant program for the renovation and expansion of Verling Park. The Fire Programs grant and Litter Control grant budget amounts are based on FY22 expenditures.

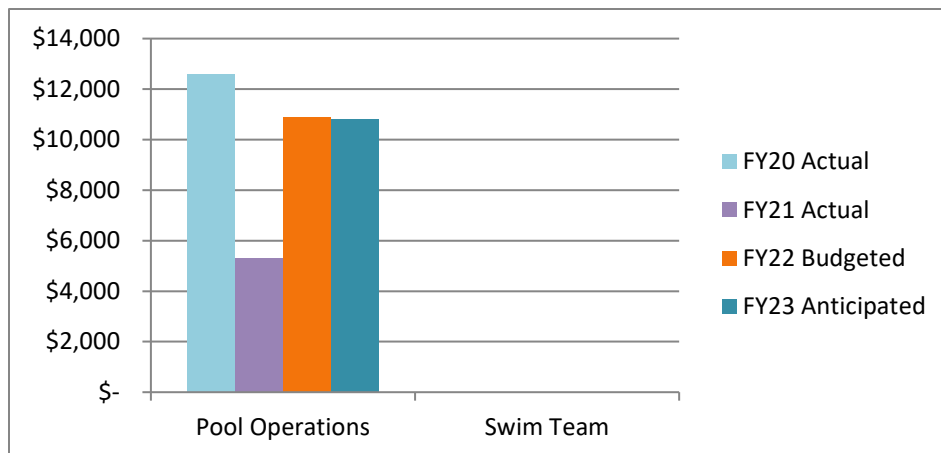
GENERAL FUND GRANT EXPENSES



Pool Expense Line Items

No major expenses are planned for the pool in FY23.

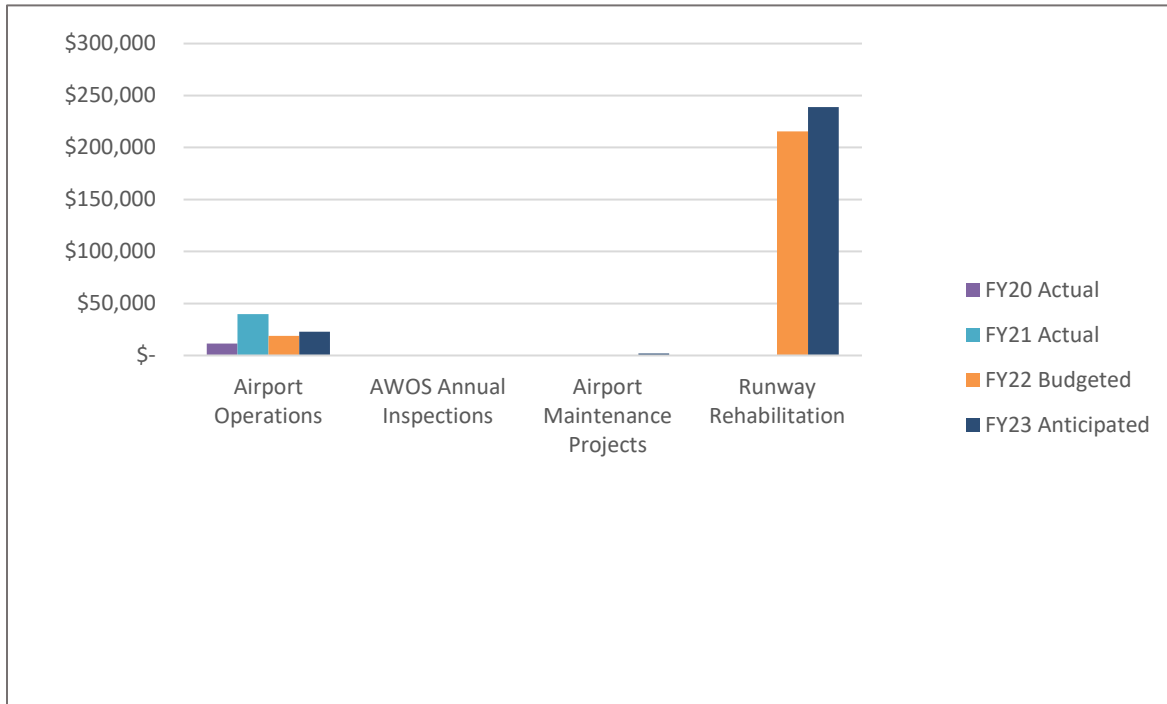
POOL FUND OPERATIONAL EXPENSES



Airport Expense Line Items

The FY23 budget includes expenses for airport operations. Specifically, \$22,900 is budgeted for anticipated expenses for electricity, phone service, property insurance, materials and supplies, and building maintenance. A Transfer to Capital Reserves of \$17,590 is also budgeted.

AIRPORT FUND OPERATIONAL EXPENSES



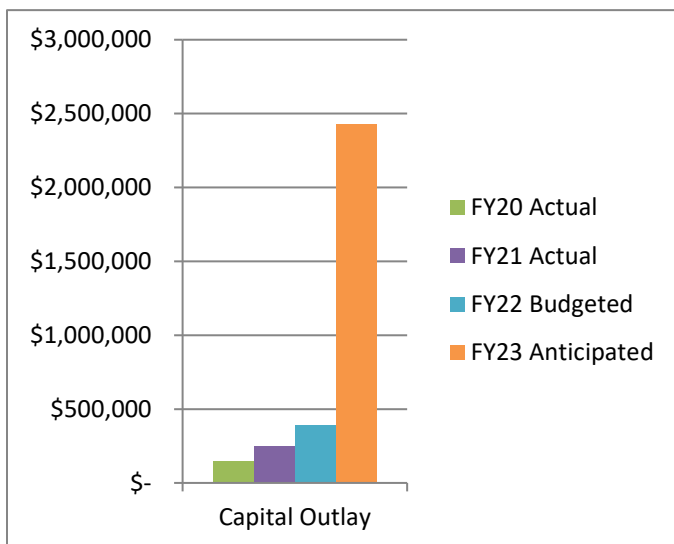
Capital Expenditures

The capital projects listed below are afforded as the result of funding offset from the ARPA funding of payroll expenses for the organization. Several of the items noted herein are those initially suggested as expenditures to be pursued as part of the Town's spending plan for ARPA funds. The chart on pages 21-22 illustrates how the projects noted below compare to the plan initially presented to Town Council in the fall of 2021.

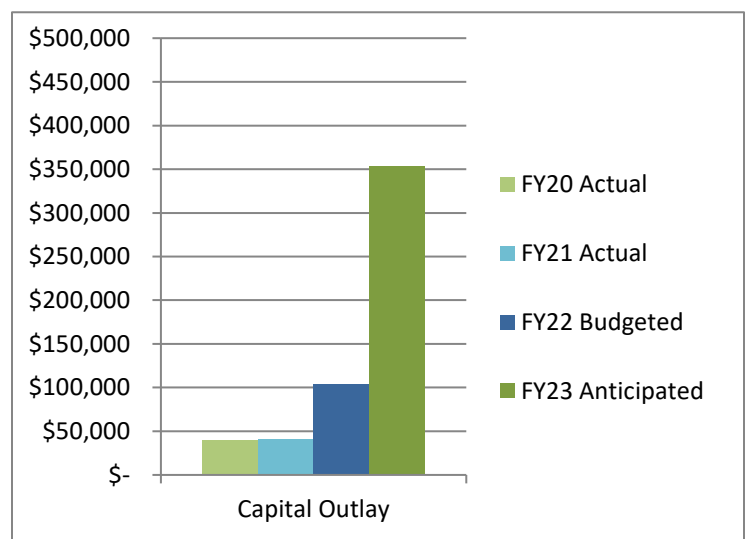
- In *Special Projects – Replacement Capital*, funds are budgeted for year four of five for the replacement of the phone system in Town Hall, as well as the host server that operates the organization's computer network (five-year financing for the replacement of these items was made available to the Town). **ARPA offset:** Funding is also budgeted for several computer, network and physical plant improvements, including replacement of the copier in the Admin/Treasurer's suite, replacement of the HVAC units for Town Hall, replacement of the carpet in Town Hall, upgrade of the AS400 accounting server, upgrade of the operating system of the Town's network server, replacement of the Microsoft exchange (email) server, and system-wide replacement of laptops and computers. All of these items are reaching or will reach end-of-life and end-of-support by the end of 2023 (\$133,760).
- **ARPA offset:** In *PW Vehicle Purchase - Replacement Capital*, the Public Works Director is requesting the purchase of two used trucks to replace trucks #3 and #7 (which are inoperable), as well as the purchase of a snow blade and spreader for each (\$80,000 GF/WF total).
- **ARPA offset:** In *PW Equipment Purchase – Replacement Capital*, the Public Works Director is requesting funding for a skid steer, street sweeper and a leaf machine (\$150,000 GF); and pipe saws (\$5,000 WF).
- **ARPA offset:** In *Sidewalk Materials – New Construction*, funds are budgeted for the construction of new sidewalks based on Council/staff review (\$35,000 GF).
- **ARPA offset:** In *New Public Works Facility*, funds are budgeted for paving the front parking lot and replacing the roof over Suites D and E (\$170,000 GF/WF total).
- In *Safe Routes to School project – Town*, funds are budgeted for the Town's share of costs for sidewalk and crosswalk improvements in proximity to Gordon Barbour Elementary School as part of a Transportation Alternatives Program Safe Routes to School grant project (\$86,200). These expenses will be offset by a contribution of funding (\$42,850) from Orange County Public Schools.
- In *Verling Park Redevelopment and Expansion*, funds are budgeted for the Town's share of the Land and Water Conservation Fund grant for the project (funded by pledges and donations from the community). The budgeted amount includes \$65,000 of **ARPA offset** funds to be used for schematic plan development (not included in grant application).
- **ARPA offset:** In *Town-wide Park Development*, funds are budgeted for site improvements for pocket parks to be located throughout town (\$50,000 GF).
- **ARPA offset:** In *Special Projects – New Capital*, funds are budgeted for the redevelopment of the parking lot around Town Hall (\$215,500 GF total).
- **ARPA offset:** In *PW Equipment Purchase – New Capital*, funds are budgeted for the purchase of a concrete core drill (\$5,000 GF) and generators for Town Hall and the Public Works building (\$30,000 GF/WF total).
- **ARPA offset:** In *Sidewalk Materials (repairs)*, funding is budgeted for sidewalk repair in areas of the town where the most significant repair is needed, based on Council/staff review (\$22,768 GF).

- **ARPA offset:** In *Water Meter Installation*, staff is requesting funding for Phase I of a system-wide replacement of water meters as they have reached their end-of-life (\$137,500 WF). Phase II will be completed in FY24.
- **ARPA offset:** In *Water Tank Valve Upgrade project*, staff is requesting funding to update the valve of the water tank located on Charles Street (\$10,000 WF).
- **ARPA offset:** In *Visitor Center Improvements*, staff is requesting funding to replace the HVAC unit that heats and cools the visitor center (\$10,000).
- **ARPA offset:** In *Water Map upgrade*, staff is requesting funding to update the water map for the Town's water system, including all meter and hydrant locations and SCADA (\$35,000 WF).
- **ARPA offset:** In the *Airport Fund*, funding is requested for the local match of the airport runway rehabilitation that will begin in the spring of 2022 (\$238,900 – GF transfer of ARPA offset funds). Funding for continued AWOS triennial inspections is also requested, as are funds to repaint the rotating beacon. Because these projects are cost-share projects with the Virginia Department of Aviation, the state's portion is shown in Grants and the Town's portion is shown in Capital Outlay.

GENERAL FUND CAPITAL OUTLAY



WATER FUND CAPITAL OUTLAY



Capital Expenditures and Programs Using Funds Offset from ARPA funding of payroll expenditures - FY23

Projects by ARPA Category - as previously presented to Council	Estimated Expense	Included in FY23 Budget?	Budget Category	Budget Amount	Notes
Public Health and Economic Impact					
Generator purchase for Town Hall and GBC	\$ 30,000	yes	GF/WF - Capital Outlay	\$ 30,000	
Town Hall HVAC replacement	\$ 20,000	yes	GF/WF - Capital Outlay	\$ 20,000	
Town website refresh to enhance public communication	\$ 12,000	no		\$ -	Free upgrade included in Revize contract
Council Chambers digital improvements for remote participation	\$ 5,000	no		\$ -	Solution pending in FY22
Historic District Walking Tour Development and Implementation	\$ 5,000	yes	VC Operations	\$ 5,000	
Wayfinding signage fabrication/installation	\$ 30,000	yes	GF - PW Operations	\$ -	Directional Signage
Total	\$ 102,000			\$ 55,000	
Premium Pay					
Premium pay program for essential employees	\$ 60,000	no		\$ -	opted for payroll increase in FY23
Total	\$ 60,000			\$ -	
Revenue Replacement					
Building and Maintaining Infrastructure					
Runway Rehabilitation Project	\$ 287,427	yes	AF - Capital Outlay	\$ 238,900	
Airport t-hangar construction	\$ 25,000	no		\$ -	to be pursued after FY24
Sidewalk addition/replacement	\$ 12,300	yes	GF - Capital Outlay	\$ 57,768	
AS400 Replacement (for Bright Accounting system)	\$ 10,000	yes	GF/WF - Capital Outlay	\$ 35,760	
Total	\$ 334,727			\$ 332,428	
Water/Sewer/Broadband					
Water					
System-wide water meter replacement and replacement of meter reading handheld and software upgrade	\$ 300,000	yes	WF - Capital Outlay	\$ 137,500	Phase I. Phase II to be pursued in FY24
water meter/fire hydrant/SCADA system/valve location mapping	\$ 30,000	yes	WF - Capital Outlay	\$ 35,000	
Preliminary Engineering for water/sewer extension to airport and Gordonsville Business Center	\$ 50,000	no		\$ -	May be pursued through Community Engineering Corps
Update Preliminary Engineering Report for Town Water Supply	\$ 50,000	no		\$ -	May be pursued through Community Engineering Corps
Broadband					
Extend broadband to all town facilities, including airport, Gordonsville Business Center, and GVFC Fire Station	\$ 100,000	no		\$ -	To be provided by Orange County/ FiberLync
Extend broadband to all town residents	\$ 186,201	no		\$ -	See below
Stormwater Management/ Water Quality Improvement					
Town Hall Parking Lot Redevelopment and Stormwater Management Project	\$ 222,000	yes	GF - Capital Outlay	\$ 215,500	
Verling Park redevelopment planning contribution	\$ 50,000	yes	GF - Capital Outlay	\$ 65,000	
Greenspace enhancement through park development in all town neighborhoods	\$ 50,000	yes	GF - Capital Outlay	\$ 50,000	
Town-wide drainage improvements for stormwater management	\$ 100,000	no		\$ -	Coordinate with VDOT
Total	\$ 1,138,201			\$ 503,000	
Contingency	\$ 50,000	no		\$ -	

Capital Expenditures and Programs Using Funds Offset from ARPA funding of payroll expenditures - FY23

Proposed FY23 Capital Projects/Programs	Estimated Expense	Included in FY23 Budget?	Budget Category	Budget Amount	Notes
Broadband Connection Fees		yes	Health & Welfare	\$ 100,000	anticipated grant prog.
Water Tank Valve Upgrade		yes	WF - Capital Outlay	\$ 10,000	see capital outlay notes
GBC Roof Replacement		yes	GF/WF - Capital Outlay	\$ 130,000	Over Suites D & E
GBC Parking Lot paving		yes	GF/WF - Capital Outlay	\$ 40,000	Front portion of lot
Computer and server upgrades		yes	GF/WF - Capital Outlay	\$ 46,500	Replace equip. that has reached end-of-life or end-of-support
Admin copier replacement		yes	GF/WF - Capital Outlay	\$ 6,500	Replace vs. leasing
Town Hall carpet replacement		yes	GF/WF - Capital Outlay	\$ 25,000	Carpet is original to building and is 26 years old
Visitor Center HVAC replacement		yes	GF/WF - Capital Outlay	\$ 10,000	see capital outlay notes
PW Vehicle Purchase		yes	GF/WF - Capital Outlay	\$ 95,000	see capital outlay notes
PW Equipment Purchase		yes	GF/WF - Capital Outlay	\$ 160,000	see capital outlay notes
Total				\$ 623,000	
Total - all categories				\$ 1,513,428	

*numbers shown in orange are estimates

Projected ARPA Funding Expense by Fiscal Year		Expense
Beginning Balance	\$ 1,684,928	
FY22	\$ (34,000)	Payroll Expense - Offset funds for PD Vehicles and Park Network Design
FY23	\$(1,513,428)	Payroll Expense - Offset funds for Capital Expenditures as noted
FY24	\$ (137,500)	Payroll Expense - Offset funds for Phase II of Water Meter replacement
Ending Balance	\$ -	

Debt

In accordance with the Town's Financial Policies adopted by Town Council in August 2013, the following parameters must be met with regard to debt:

Debt as a percentage of Assessed Value will not exceed 2.5%. The 2021 estimated assessed value of real estate within the town is \$132,795,300; 2.5% of \$132,795,300 is \$3,319,883.

Currently, the Town has the following outstanding debt:

VRA 2002 Loan	\$ 107,694	Payoff year:	2023
VML/VACo 2018A/2018B Loan	\$1,473,546	Payoff year:	2032
Police Dept Reporting System Upgrade	\$ 12,120	Payoff year:	2022 (FY23)
Orange County Sales Tax Repayment	\$ 38,000	Payoff year:	2027

Total debt: \$1,631,357 (available debt: \$1,688,526)

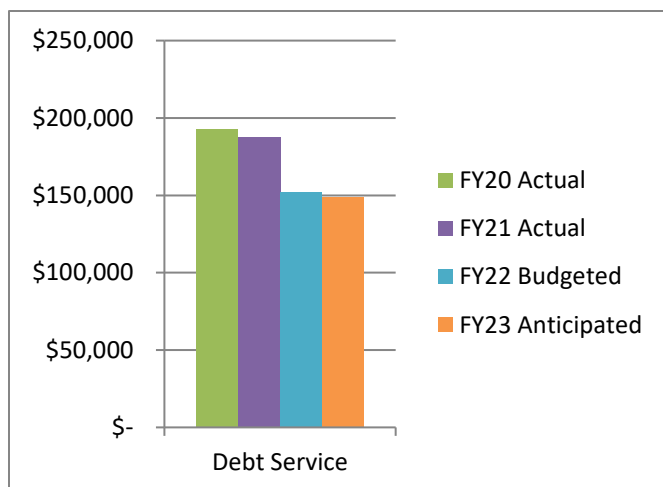
Debt Service as a percentage of General Governmental Expenditures will not exceed 10%.

FY23 debt service: $\frac{\$ 267,670}{\$9,709,418} \times 100 = 2.8\%$
FY23 General Governmental Exp.: \$9,709,418

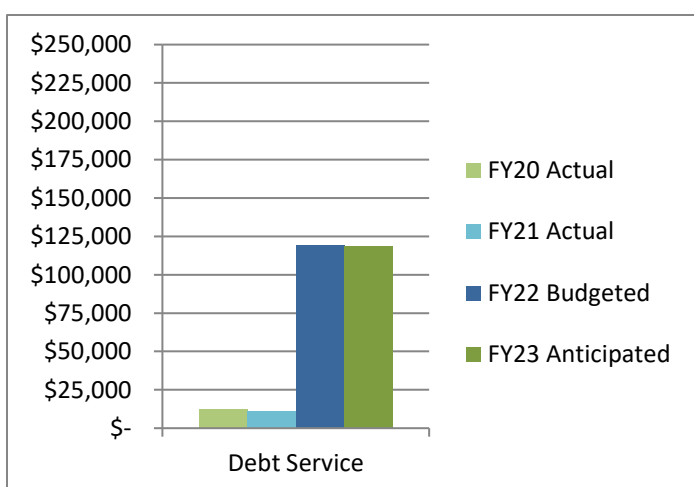
Currently, the Town's debt service as a percentage of general governmental expenditures is 2.8%.

- The VRA 2002 loan was refinanced in FY14 and became known as the VRA 2011B loan. It is scheduled to be paid off in 2023. This loan payment is divided between the General and Water Funds.
- Repayment of funds obtained through the issuance of the Town's General Obligation bonds for the Main Street streetscape project and the purchase of the new public works building and airport properties began in August 2018. The fifth year of principal and interest payments are budgeted for FY23.
- In FY23, \$12,120 has been budgeted for the Town's fourth payment on the Police Department's incident-based reporting system upgrade installed in 2018.
- In FY23, \$9,500 has been budgeted for the Town's seventh installment of repayment of sales tax to Orange County. This is a payment that will be made annually for ten years, or until July 2027 (FY2028), in accordance with the settlement agreement signed by the Town and County in December 2016.

GENERAL FUND DEBT



WATER FUND DEBT



Contingency / Transfer to Capital Reserves

As proposed, the budget includes a contingency of \$5,000 in the Airport Fund; no contingency is budgeted in the General Fund or the Water Fund. The budget does not include a transfer to Capital Reserves for either the General Fund or the Water Fund. A transfer to Capital Reserves in the amount of \$17,590 is included in the Airport Fund.

Appropriation schedule modifications

The Public Works Director has requested an increase to the Equipment Charges as noted in the schedule.

Additional project considerations

There are several major projects on the horizon for the Town. The following are not currently included in the draft proposed budget for FY23.

- Water System Preliminary Engineering Report revision – estimated cost: \$45,000

Staff looks forward to reviewing the budget with Council.