



# FY24 Proposed Budget

for

Administration, Human Resources,  
Information Technology, and Finance

Work Session

April 10, 2023 at 5:30 PM



# Agenda

1. Interim Town Manager Comments (John)
2. Administration
  - 2.a. Budget (Finance)
  - 2.b. Overview – Admin (Hooper)
  - 2.c. Account Line Detail – Admin
  - 2.d. Overview – Human Resources (Sharon)
  - 2.e. Account Line Detail – Human Resources
3. IT
  - 3.a. Budget (Finance)
  - 3.b. Overview (Shannon)
  - 3.c. Communications
  - 3.d. Account Line Detail
4. Finance
  - 4.a. Budget (Finance)
  - 4.b. Overview (Liz)
  - 4.c. Account Line Detail
5. Budget Work Session Schedule (John)



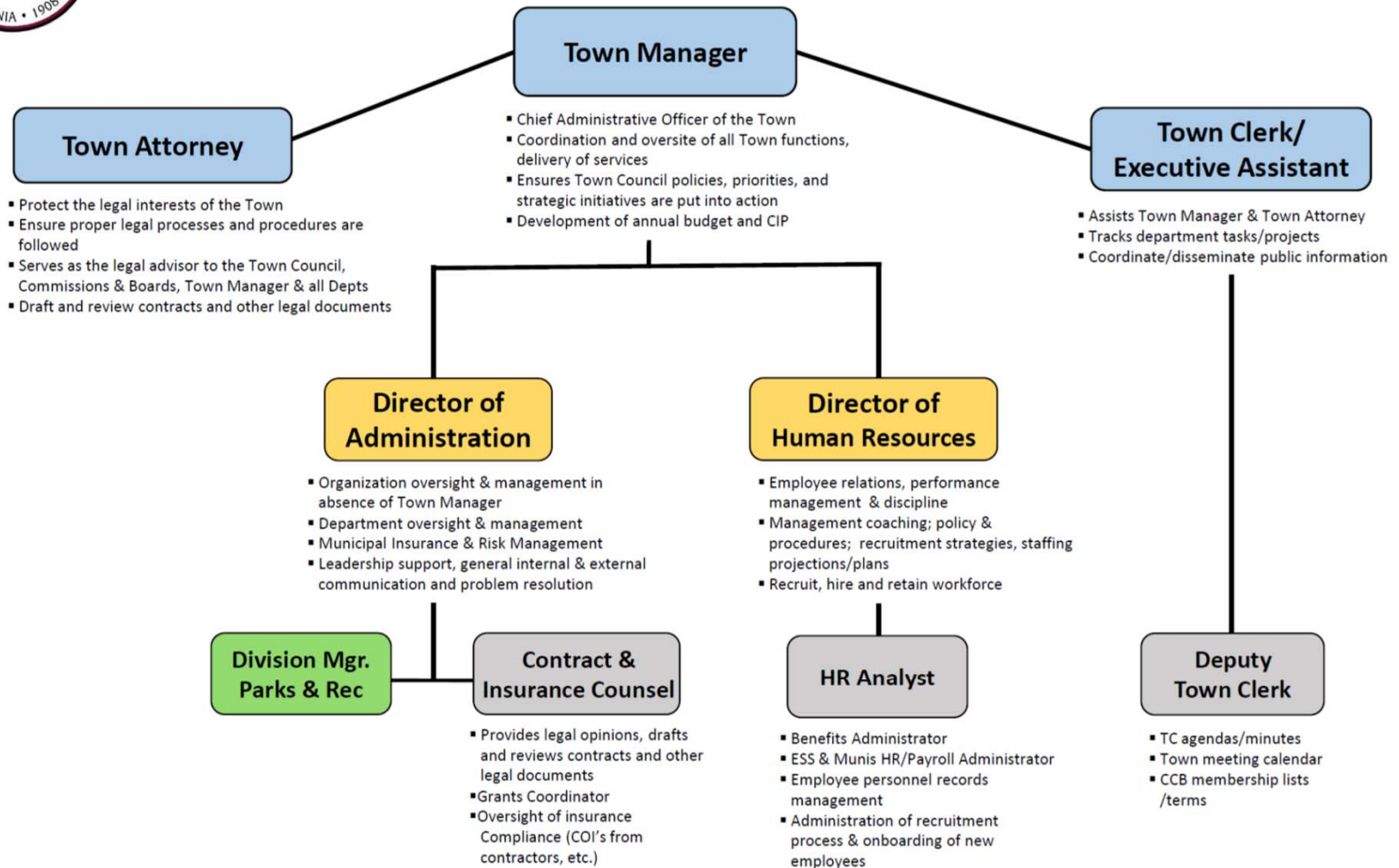
# FY24 Budget - Administration

## 2.a. Admin

- Proposed Budget of \$1,945,928 or 14% of the General Fund (GF).
  - Pay & Benefits is \$1,466,461 or 11% of the GF.
  - Operating is \$39,702 or 0.3% of the GF.
  - Internal Services is \$296,100 or 2% of the GF.
    - Municipal Insurance is \$178,500 or 1% of the GF.
  - Human Resources is \$58,165 or 0.4% of the GF.
  - Legal for GF is \$85,500 or 0.6%.
- Funded Enhancements
  - No Non-Wage
- Unfunded Enhancements
  - Part-time Associate Position in Town Hall and Training on page 35.
- Discretionary/Non-Discretionary on pages 3-5 and 16 of the Account Detail supporting schedules.
- Departmental Narrative on *pages 133-152*.
  - Human Resources on *pages 140-143*.



# Administration





# Administration Overview

## 2.b.

The Administration Department, under the direction of and in coordination with the Town Manager, is the control center of the management functions and administration of efficient Town government.

- Office of the Town Manager
- Legal Services –
  - Contract Town Attorney (appointed by Council)
  - Staff Contract and Insurance Counsel (PT)
- Director of Administration
- Town Clerk / Executive Assistant & Deputy Town Clerk



# Town Manager's Office & Administration Overview

2.b.





# Administration – Future Outlook & Challenges

- Develop realistic program/project deadlines in concert with all Departments
- Continue to investigate grant opportunities
- Continue to identify and implement efficiencies in all departments
- Develop an expanded Performance Measurement System – expanded identification, collection, analysis and reporting of key performance indicators to show how well Town operations are performing and how that performance compares to internal targets and peer jurisdictions to better understand, manage and improve operations and service delivery
- As the result of the pandemic and other elements, the Town has been impacted by an ever-changing and increasingly challenging work environment – in FY 2023, the engagement of a consultant to conduct a management and staffing analysis to assess staff capacity and how impacts may influence the continued service delivery to the community – the Town will need to work toward addressing the recommendations
- Continue to make enhancements to the physical security at Town Hall to ensure the safety of employees and visitors



# Administration Overview

## 2b. Clerk's Office

Workload Factor	FY 2023 <i>(to date)</i>
Town Council Agenda Packets & Meeting Minutes	53
FOIA Requests	48
Applications for Community Event Sign Rentals	22 (as of Feb 2023)
Applications for Train Station Rentals	61 (as of Feb 2023) \$4,670 revenue
Certificates and Plaques for Town Council Recognitions	18
Coordination of Grand Openings/Ribbon Cutting Ceremonies w/Local Businesses	11
New Releases	132





# Administration Account Detail

## 2.c. Administration (Hooper)

- Discretionary/Non-Discretionary on pages 3, 5, and 16 of the Account Detail Supporting Schedules.
- Operating
- Internal Services
  - Municipal Insurance - 2% Increase over prior FY – Virginia Risk Sharing Association (VRSA) is the first & most financially sound self-insurance pool in the Commonwealth of Virginia.

### ❖ ARPA – American Rescue Plan Act *(Narrative on pages 163-169)*

- *Detail page 13 of the Account Detail Supporting Schedules.*
- Total Funding \$10,559,884 – received in 2 payments (FY 2021 & FY 2022)
- Must be formally obligated for projects & expenses by December 31, 2024
- Must be fully spent by December 31, 2026 or return unspent funds to US Treasury
- Funds fully allocated to 15 projects & expenditures (project details pages 147-149)
- Mandatory Quarterly Expense Reports must be filed timely – *late reporting can lead to a finding of non-compliance with US Treasury and can result in the receipt of a corrective action plan or other consequences. False statements or claims made to the Secretary may result in criminal, civil or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.*



# Administration Overview - Legal

Discretionary/Non-Discretionary on page 5 of the Account Detail supporting schedules.

Category	Proposed FY 2024 (Budget Book)	Revised FY 2024 with Contracted Town Attorney
<b>Personnel</b> Full-time Town Attorney & Part-time Staff Attorney <i>(including fringe benefits)</i>	<b>\$337,050</b>	<b>\$265,000</b> (Blankingship & Keith – assumes 80 hours/month at blended rate) <b>\$45,000</b> (On-site Part-Time ± 10 hrs/week)
<b>Travel &amp; Training</b>	<b>\$9,500</b>	<b>\$700</b>
<b>Contracted Attorneys</b> <i>(HR, Right-of-Way, Utilities, Cable Franchise, etc.)</i>	<b>\$76,500</b>	<b>\$6,500</b>
<b>Total Legal Services</b>	<b>\$423,050</b>	<b>\$317,200</b>
		<b>Difference: - \$105,850</b>



# Human Resources Budget

## 4.a. HR

- HR non-wage budget is \$58,165.
- Funded Enhancements – None.
- Unfunded Enhancements – None.
- Discretionary/Non-Discretionary on page 4 of the Account Detail supporting schedules.
- Departmental Narrative on *pages 142-144*



# Human Resources Overview

## 2.d. HR Overview

The HR Department is staffed by two full-time employees and serves the 85 employees that serve the Town. HR provides centralized full service key human resource services to include:

- Recruiting and retention; performance management to include supervisory training and review of all evaluations to ensure uniformity and equity among depts.
- Benefits administration for all plans; VRS, Anthem BCBS, Mission Square, Nationwide
- Maintain a strategic partnership with all departments and works collaboratively to train and maintain a high performing workforce.
- Compensation; statutory compliance; managing employee complaints and internal investigations; training and succession planning
- Responsible for administration of four MUNIS modules; HR Payroll, Recruiting, Performance Management and Employee Self Service which is the gateway to Citizen Self Service.

### **Future Outlook & Challenges**

- Develop a transition plan for potential retirements/succession planning
- Develop recruiting tools, for all departments, to address the continuing competitive workforce environment
- In coordination with the new Town Manager, develop a continuing education/training program for all departments



# Human Resources

## 2.d. Sample of Accomplishments and Workload Factors

Workload Factor	FY 2022	FY 2023 (To Date)
Employees Recruited	7	6
Separated Employees	6	10
Applications Processed	149	77
Evaluations Processed	78	50
Interviews Conducted	24	13

- Troubleshoot and provide timekeeping oversight for over 2,000 timesheets per year.
- Completed Baker Tilly study update from 2019. This determined market activity and range adjustments with our local comparators.
- Located independent review agency for personnel policy update (VRSA) at no cost to the town.



# IT Budget

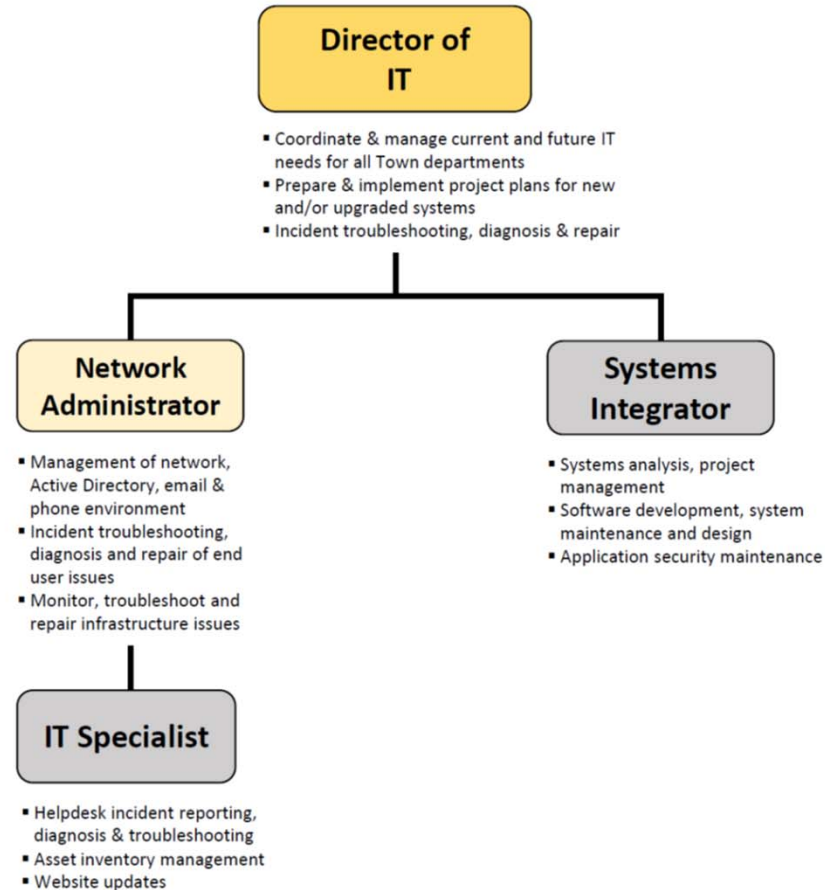
## 3.a. IT

- Proposed Budget of \$883,327 or 6% of the General Fund (GF).
  - Pay & Benefits is \$576,991 or 4% of the GF.
  - Operating is \$306,337 or 2% of the GF.
- Funded Enhancements
  - Software Maintenance Services on page 27.
- Unfunded Enhancements
  - None.
- Discretionary/Non-Discretionary on page 7 of the Account Detail supporting schedules.
- Departmental Narrative on *pages 163-169*.



# Information Technology

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# IT Overview

## 3.b. Information Technology Department

- Ensure efficient departmental operations by providing computer hardware, software and telephone services to all Town departments and to identify technological solutions to improve operational efficiencies for staff and citizens.
- The Information Technology Department is responsible for the Town's purchase, installation, maintenance and support related to the following items:
  - Computer equipment
    - 30 servers
    - 100+ workstations
  - Communications technology equipment
    - 21 network device
    - 63 desk phones
    - 60+ cellular
    - 12 tablets
  - Software packages
  - Town of Purcellville website
  - Project Management of Town IT infrastructure and Communication Projects





# IT Overview

## **KEY ACCOMPLISHMENTS**

- Implemented a Security Information and Event Management (SIEM) system.
- Migrated the Town's ERP system from on premise hosting, to a cloud Software as a Service (SaaS) environment.
- Implemented a new Permit tracking system in the Planning Department.
- Assisted Finance with implementing Credit Card processing
- Remote workforce – allowing staff to work remotely through the pandemic, from remote location while travelling or even when in the field.
- Replaced 22 workstations



# IT Overview

## **FUTURE OUTLOOK & CHALLENGES**

- To increase efficiency, security and stem long term costs, IT will be migrating the Town to Microsoft 365.
- To enhance citizen engagement, IT will be working with a cross-departmental team to update the Town's website and implement a Citizen Self-Service portal.
- To improve systems resiliency, IT will be looking to add redundant connectivity at key facilities.
- To increase efficiencies and security, IT will continue working with the Utility departments to improve their SCADA architecture.
- Remain vigilant in an ever-changing cyber security environment.



## IT Overview

### 3.c. Communications (is in All funds)

- Budget is \$159,500 which is comprised of:
  - \$120,300 General Fund
  - \$1,250 Parks & Recreation
  - \$17,000 Water Plant and Wells
  - \$21,000 Wastewater Plant and Pump Stations
- Communications providers are Verizon, Comcast, AT&T/FirstNet, GoTo, Hosted Backbone.
  - Verizon is used for alarms and internet at some facilities.
  - Comcast provides connectivity for some facilities
  - AT&T/FirstNet is the provider for cell phones.
  - GoTo provides the Voice Over Internet Protocol (VOIP) phone system.
  - Hosted Backbone provides fiber network connections between town sites and internet connectivity.



## IT Overview

### Strategic Partnerships

- NVERS (Northern Virginia Emergency Response System) CIO(Chief Information Officer) and CISO (Chief Information Security Officer) working groups, providing collaboration on grants and technical resources
- CISA (Cybersecurity and Infrastructure Security Agency)
- MS-ISAC (Multi-Stat Information Sharing & Analysis Center)



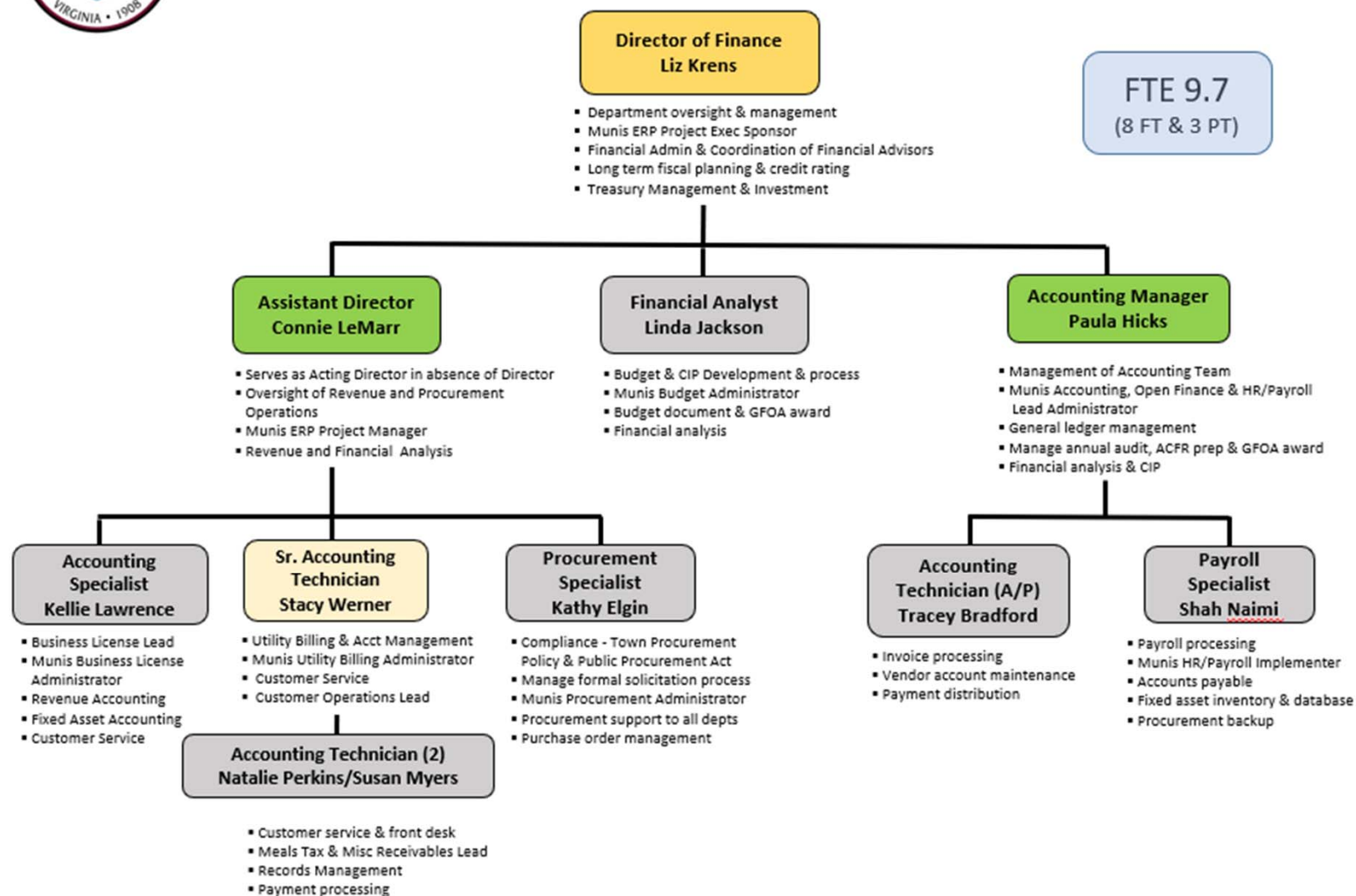
# Finance Budget

## 4.a. Finance

- Proposed Budget of \$1,395,244 or 10% of the General Fund (GF).
  - Finance Administration is \$92,850 or 0.7% of the GF.
  - Pay & Benefits is \$1,249,627 or 9% of the GF.
  - Operating is \$52,767 or 0.4% of the GF.
- Funded Enhancements – None.
- Unfunded Enhancements – None.
- Discretionary/Non-Discretionary on page 6 of the Account Detail supporting schedules.
- Departmental Narrative on *pages 153-162*.

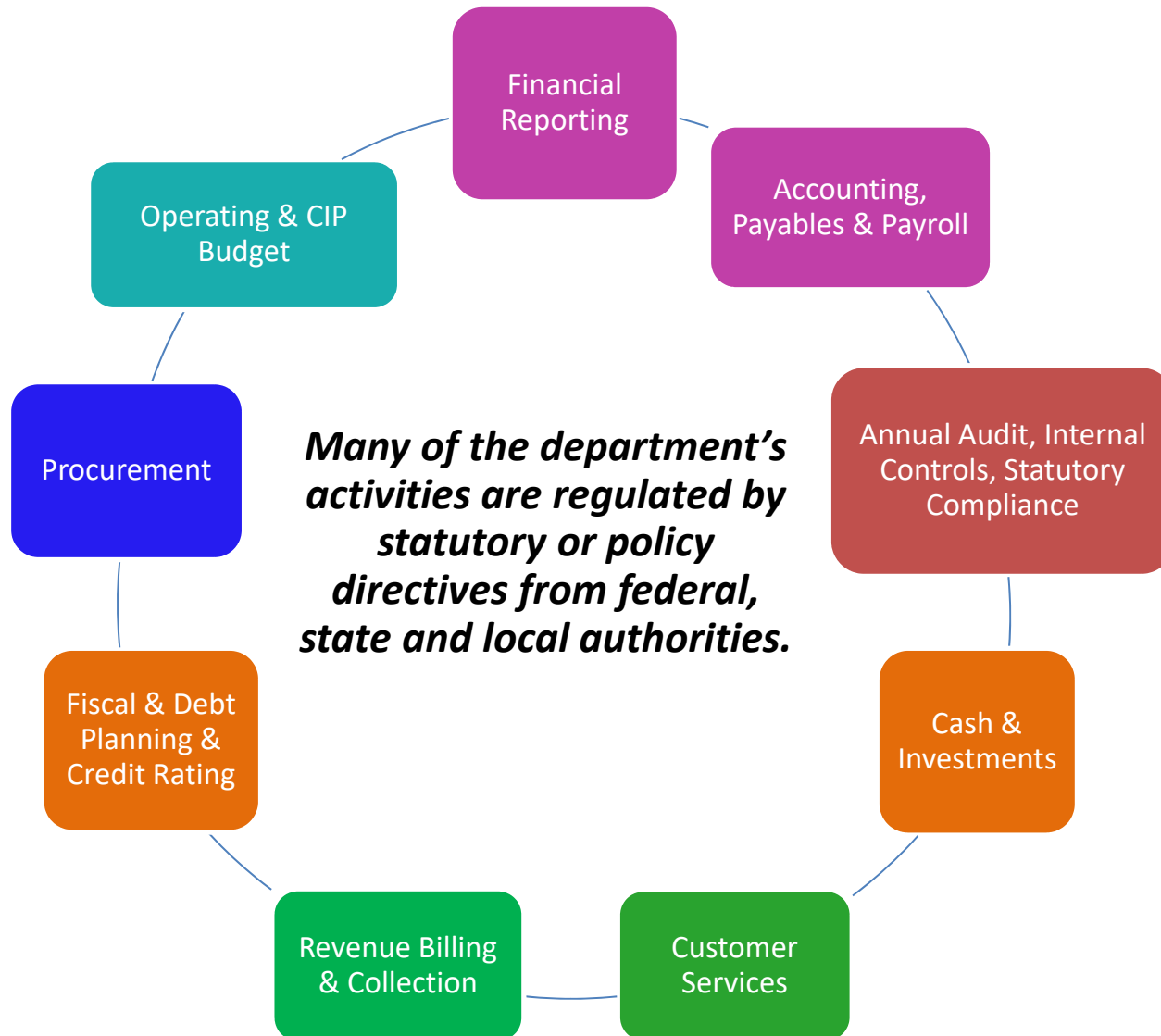


## Finance





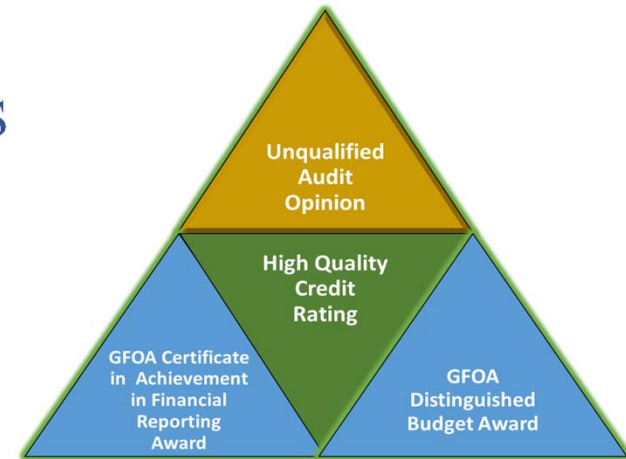
# Finance Department - Areas of Responsibility





## Finance – Key Accomplishments

- **Unqualified Audit Opinion**
- **Maintained Strong Credit Rate: AAA, AA+**
- **GFOA Awards-** highest form of recognition in government finance
- **County Tax Program-** Over 100 hours of staff time redirected and reduced system costs by \$2,700/year.
- **Purchasing Card-** Over 3,000 transactions in FY22 with over \$200k in cost savings over purchase order process and \$7,927 Rebate.
- **New Contract Module-** Archive vendor contracts in system for easy access by staff.
- **American Rescue Plan (ARPA) Tracking & Compliance**
- **Electronic Documents-** Converted historical paper business license files to electronic documents and saved under tax accounts in system.
- **Virginia AWWA Scholarship-** Stacy Werner recognized for “persistent and personal attention to the customers she serves” - offset conference cost.
- **Front Desk Savings-** Finance staff coverage of Town Hall, phones and mail.







# Finance – Future Outlook & Challenges

- **Accounting Cycles-** Majority of department's workload is cyclical and mandated by others.
- **Increasing Complexity of Regulations & Fiscal Drivers**
  - **New Accounting Standards-** (GASB 87 & 96) pace increasing
  - **Debt Management-** IRS tax-exempt bond regulations; MSRB (Municipal Securities Rule Making Board) post issuance requirements; arbitrage calculations; Federal prohibition on advanced refunding; complex debt negotiations & refunding strategies.
  - **Federal Requirements-** CARES, ARPA, Single audits if Federal dollars exceed \$750K.
  - **State Requirements-** Auditor of Public Accounts (APA) sets State Chart of Accounts & Annual Comparative Report rules; Urban Highway audit/reporting.
  - **Banking & Investments-** Significant State limitations and regulations.
  - **Cash Management-** Complex inflows/outflows throughout the year; front load cash to fund capital projects; market impacts on invested funds.
  - **Economy and Credit Markets-** Adapt to constant change in local, national and global environment; recent complexities with interest rates and banking crisis.
  - **Utility Rate Analysis-** Process to set user fees at sustainable level; plan to deal with accelerating debt service following period of restructure; importance of structural balance.



# Finance – Future Outlook & Challenges

- **ARPA-** Use/obligate all funds by 12.31.24; \$2.8M of \$10.6M spent to date.
- **Financial Data Transparency Act-** New Federal requirement
- **Leverage Technology:**
  - **Customer Service Enhancements-** Transition to Tyler Payments for front counter credit card processing; implement online utility customer account access and electronic payment interface.
  - **Remote Deposit-** Work with bank & ERP provider to implement remote deposit process for checks for operational savings.
  - **New Accounting Modules-** Implement Fixed Asset and Inventory modules and expand DebtBook for GASB 87 and 96 standards. Complete General Billing implementation to track miscellaneous receivables.
  - **ERP System Administration-** Transition system administration to new IT System Analyst and define user role assignment process and controls; complete SAAS (cloud-based hosting) implementation to achieve operational savings, streamline updates and reduce risk/vulnerabilities.
- **Flexibility & Adaptability-** Monitor change in regulation, technology and economy and make plan to adapt.



# Finance – What do we need to be successful?

- **Human Capital-** Attract and retain qualified staff; specialized training to develop governmental finance and customer service skills.
  - Training/Certifications
  - Staff's core workload is mandated by others with mandatory deadlines
- **Financial Systems-** Our work requires specialized systems to manage accounting activities, financial reporting and maintain internal controls.
  - Finance staff navigates over 100 internal and external systems.
  - Importance of technical support.
- **Outside Expertise-** Consultants include:
  - Independent Auditor (Brown Edwards)- State Requirement
  - Financial Advisor (Davenport)- Debt issuance and credit rating
  - Bond Counsel (Hunton)- Legal documents, IRS and regulatory requirements
  - Utility Rate Consultant (Stantec)- Utility rate & cost of service analysis
  - Other: Escrow Agents, Arbitrage Analysis, Actuarial Studies, Outsource Printer
  - Partner- County Tax Program
- **Clear Policy Guidance & Strategic Objectives-** Provides operational structure and goals for short and long-term fiscal planning.



# Meetings - FY24 Budget (Subject to Change)

Date	Meeting/ Work Session	Topics for Discussion/Action	PH Notice
Tue 5/24/22	Regular TC Mtg/Budget WS #1	Utility Rate Model based upon FY23 Adopted Budget	-
Tue 11/15	Regular TC Mtg/Budget WS #2	Utility Rate Model – Review of May 24 <sup>th</sup> Stantec Presentation with Proformas and Q&A	-
Tue 12/13	Regular TC Meeting	Auditors present FY22 Annual Financial Report	
Tue 1/10/23	Special TC Mtg / Budget WS #3	Zero Base Budget	
Tue 1/24/23	Regular TC Mtg / Budget WS #4	CIP Prioritization and funding	-
Tue 2/14	Regular TC Meeting	Town Council to <u>Adopt</u> Ordinance for “2023 Personal Property Tax Rate” to allow County to prepare tax bills.	1/26 & 2/2 PH Ad (7 day notice if changes)
Tue 3/14	Regular TC Meeting	<u>Public Hearing</u> for “2023 Real Estate Property Tax Rates - Equalized”	2/2 & 2/9 PH Ad (After rate calc; 30 day notice if changes)
Wed 3/15	Special Mtg / Budget WS #5	Town Manager presents proposed FY24 Budget	-
Wed 3/22	Special Mtg / Budget WS #6	FY24 Budget Drivers and General Fund Revenue	-
Tue 3/28	Regular TC Meeting WS	Town Council to <u>Adopt</u> Ordinance for “2023 Real Estate Property Tax Rates” (includes Fireman’s Field Tax District) for County tax bill preparation.	See 3/14 PH
Wed 3/29	Special Mtg/ Budget WS #7	FY24 Budget for Legal services; Public Works	-
Mon 4/3	Special Mtg/ Budget WS #8	FY24 Budget for Police Department	-
Wed 4/5	Special Mtg/ Budget WS #9	FY24 Budget for Engineering, Planning, and Development including Asset Management/Facilities	-
Mon 4/10	Special Mtg/ Budget WS #10	FY24 Budget for Admin (Town Manager; Clerk; Human Resources; Administration); Information Technology; Finance	-

Legend:

Regular TC Mtg = Regular Town Council meeting on 2nd Tuesday of the month  
Regular TC WS = Regular TC Work Session on the 4th Tuesday of the month

Spring Break week is 4/3-7  
S/BWS=Special Meeting / Budget Work Session

Budget Work Session	Council Mtg
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# Meetings - FY24 Budget (Subject to Change)

Date	Meeting/ Work Session	Topics for Discussion/Action	PH Notice
Tue 4/11	Regular TC Meeting	<u>Public Hearing</u> for FY24 Budget	3/23 & 3/30 PH Ad (7 day notice)
Tue 4/11	Regular TC Meeting	<u>Public Hearing</u> for Master Tax & Fee	3/23 & 3/30 PH Ad (5 day notice 2 successive weeks, if changes)
Wed 4/12	Special Mtg/ Budget WS #11	FY24 Budget for Legislative & Advisory; General Fund Debt; Non-departmental; Parks and Recreation Revenue and Expense	-
Mon 4/17	Special Mtg/ Budget WS #12	FY24 Budget for Water and Wastewater	-
Wed 4/19	Special Mtg/ Budget WS #13	Utility Revenue and Stantec Rate Models (based upon Proposed Budget); Q&A	See 4/11 PH
Mon 4/24	Special Mtg/ Budget WS #14	Indirect Cost Allocation; General Budget Discussion as needed	-
Wed 4/26	Special Mtg/ Budget WS #15	Additional information as needed	-
Mon 5/1	Special Mtg/ Budget WS #16	Capital Improvement Program (CIP)	-
Wed 5/3	Special Mtg/ Budget WS #17	Additional information as needed	-
Tue 5/9	Regular TC Meeting WS	Town Council to <u>Adopt</u> & Appropriate FY24 Budget Town Council to <u>Adopt</u> Ordinance for Master Tax & Fees • Fallback date is May 23	See 4/11 PH See 4/11 PH
Tue 5/23	Regular TC Meeting WS	Town Council to <u>Adopt</u> & Appropriate FY24 Budget - Fallback date Town Council to <u>Adopt</u> Ordinance for Master Tax & Fees -Fallback date	

## Legend:

Regular TC Mtg = Regular Town Council meeting on 2nd Tuesday of the month

Regular TC WS = Regular TC Work Session on the 4th Tuesday of the month

S/BWS=Special Meeting / Budget Work Session

Budget Work Session

Council Mtg



# FY24 Agenda Page Reference

Date	Meeting/ Work Session	Topics for Discussion/Action	Dept. Narrative	Funded Enhancements Non-Wage	Unfunded Enhancements Non-Wage	Account Line Detail
Wed 3/22	Special Mtg / Budget WS #6	FY24 Budget <b>Drivers</b> and General Fund Revenue	n/a	26 (COLA, PfP)	34 (COLA, PfP)	-
Wed 3/29	Special Mtg/ Budget WS #7	FY24 Budget for <b>Legal</b> services	134-138	n/a	n/a	5 (GF), 22 (W), 27 (WW)
		FY24 Budget for <b>Public Works</b>	179-185	27	37	10-12, 16
		<b>Fleet</b> Management	428-429			16 (GF), 24 (W), 29 (WW)
Mon 4/3	Special Mtg/ Budget WS #8	FY24 Budget for <b>Police</b> Department	170-178	27	36	9, 16
Wed 4/5	Special Mtg/ Budget WS #9	FY24 Budget for <b>Engineering, Planning, and Development</b> including Asset Management/Facilities	186-196	28	35, 38-39	14
Wed 4/10	Special Mtg/ Budget WS #10	FY24 Budget for <b>Admin</b> (Town Manager; Clerk; Human Resources; Administration);	133-144	n/a	35	3, 5
		Human Resources ( <b>HR</b> )	140-143	n/a	35	4
		<b>ARPA</b>	144-152	n/a	n/a	13
		FY24 Budget for <b>Information Technology</b>	163-169	27	n/a	7
		FY24 Budget for <b>Finance</b>	153-162	n/a	n/a	6
Tue 4/11	Regular TC Meeting	<u>Public Hearing</u> for FY24 Budget	-	-	-	-
Tue 4/11	Regular TC Meeting	<u>Public Hearing</u> for Master Tax & Fee	-	-	-	-
Wed 4/12	Special Mtg/ Budget WS #11	FY24 Budget for <b>Legislative &amp; Advisory</b>	197-200			2 (Council), 13 (Arts), 15 (Planning, Econ Devmt, Architectural, Tree, Police)
		FY24 Budget for <b>General Fund Debt; Non-departmental</b>	201-203			16
Mon 4/17	Special Mtg/ Budget WS #12	FY24 Budget for <b>Water</b>	226-234	30	33	21-24
		FY24 Budget for <b>Wastewater</b>	235-243	31	41-42	25-29
Wed 4/19	Special Mtg/ Budget WS #13	<b>Utility</b> Revenue and Stantec Rate Models (based upon Proposed Budget); Q&A	-	-	-	-
Mon 4/24	Special Mtg/ Budget WS #14	<b>Parks and Recreation</b> Revenue and Expense	205-223	29	32, 40	17-20
Wed 4/26	Special Mtg/ Budget WS #15	FY24 General Budget discussion	-	-	-	-
Mon 5/1	Special Mtg/ Budget WS #16	Capital Improvement Program ( <b>CIP</b> )	245-371			
Wed 5/3	Special Mtg/ Budget WS #17	FY24 General Budget discussion	-	-	-	-
Tue 5/9	Regular TC Meeting	Town Council to <b>Adopt &amp; Appropriate FY24 Budget</b> Town Council to <b>Adopt Ordinance for Master Tax &amp; Fees</b> Fallback date is May 23	-	-	-	-
Tue 5/23 (Fallback)	Regular TC Meeting	Town Council to Adopt & Appropriate FY24 Budget - Fallback date Town Council to Adopt Ordinance for Master Tax & Fees -Fallback date	-	-	-	-
<u>Legend-Funds:</u>		<u>Legend:</u>				
GF=General Fund		COLA=Cost of Living Adjustment				
PR=Parks & Recreation Fund		PfP=Pay for Performance				
W=Water Fund						
WW=Wastewater Fund						