



ALTERNATIVE BUDGET—FY 2021

Budget Modifications, Assumptions, Considerations in a Period of Uncertainty

Message from the Town Manager:

Dear Mayor & Town Council, Staff Team Members, and Woodstock Community,

During the months preceding this date, we were well on our way to creating a complete and balanced regular operating budget and had launched a new Capital Improvement Program process, highlighting the capital needs of the Town into Fiscal Year 2025. Thank you to everyone for your participation in that process—it required hours of preparation and I look forward to revisiting that. However, our financial outlook has been disrupted with the presence of COVID-19, and with the collective loss to Virginia local governments projected to exceed \$180 million, there is a reason for concern (2020:Carlee & McNab).

We reacted quickly to the pandemic by working with our departments to halt all expenditures over \$1,000, hold the hiring of open positions, and holding on all capital projects. In addition, we began preparing for the new reality of what our Fiscal Year 2021 will look like. This document will highlight the assumptions that we have made based on limited data, the projection reduction in vulnerable taxes and public utility fund revenue, the removal of necessary operating expenditures and deferral of important capital projects and equipment, and the consideration of revenue enhancements to move our community through this health and financial crisis.

The most vulnerable revenues include the hospitality, tourism, food/beverage, and retail sectors to include sales tax, meals and lodging taxes, and the consumption of water by large users. In a working paper published by Dr. Ron Carlee and Dr. Rob McNab, it was noted that towns are among the most vulnerable of localities related to their reliance on vulnerable revenues. In the General Fund, we have 47.6 percent of our taxes considered to be vulnerable. Fortunately, we are equipped with a strong fund balance and a good level of working capital due to Town Council’s investment in both funds and commitment to careful spending. These recommendations are not made easily or lightly, and I look forward to working with you to move through this difficult time to a more prosperous future.

In Service,

Angela K. Clem, Town Manager

VULNERABLE REVENUE PROJECTION REDUCTIONS

	Quarter One: July-Sept	Quarter Two: Oct-Dec	Quarter Three: Jan-March	Quarter Four: April-June	Budget
Transient Occupancy Tax	25%	15%	10%	5%	(46,529)
Meals Tax	25%	15%	10%	5%	(209,028)
Sales Tax	20%	15%	10%	5%	(32,829)
Water & Sewer Receipts	25%	20%	2.5%	0%	(340,664)
BPOL	5% for the year				(47,000)
Dev Fees/Permits	25% reduction for the year				(3,750)
Interest on Bank Dep	25% reduction for the year (GF & PUF)				(27,125)
Interest on Inv	25% reduction for the year				(1,000)
					(\$707,925)



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GENERAL FUND & PUBLIC UTILITIES FUND BUDGET HIGHLIGHTS–ALTERNATIVE BUDGET

Expenditure Reductions to Minimize the Impact of the Deficit. These are budget expenditure reductions proposed in the alternative budget in order to continue to minimize our deficit.

- Overall request to all departments to temporarily reduce expenditures by 20-25%; long-term reductions will impact service delivery and operational effectiveness
- Removal of 2% COLA to 0% and removal of any ancillary compensation benefits
- Removal of convention, training, education (or significantly reduced) for all departments
- Removal of \$50,000 EDA contribution
- Removal of capital contributions for WFD and WRS for this fiscal year (still have maintained assigned fund balance for obligated capital needs)
- Removal of 1% lodging tax contribution to Shenandoah County
- Removal of ALL capital items with the exception of trail development (debt finance/grant funds), WPD facility improvements, Riverview Park roof replacements
- Removal of some PT salary funding

General Fund Department/Line Item	FY 20 Budget	FY 21 Budget	FY 21 Alternative Budget
General Administration	\$958,495	\$951,307	\$914,481
Public Safety	\$2,067,113	\$2,144,338	\$2,022,877
Public Works	\$1,871,976	\$2,018,908	\$1,826,335
Planning & Comm. Development	\$443,586	\$429,213	\$372,417
Contributions (Fire Rescue)	\$566,000	\$591,000	\$496,000
Parks & Recreation	\$329,226	\$343,786	\$327,205
Debt Service	\$196,784	\$265,969	\$237,696
Capital Outlay	\$1,362,745	\$1,423,919	\$1,058,861
Transfers & Reserves; Service Charges	\$46,750	\$55,487	\$47,750
Totals	\$7,842,675	\$8,223,927	\$7,303,895

APRIL 9, 2020 (WORK SESSION #1)

Town of Woodstock



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Public Utilities Fund Division/Line Item	FY 20 Budget	FY 21 Budget	FY 21 Alternative Budget
Water Treatment Plant	\$763,969	\$792,941	\$737,418
Water Transmission & Distribution	\$334,412	\$333,090	\$303,284
Wastewater Treatment Plant	\$1,212,364	\$1,220,853	\$1,123,525
Sanitary Sewer Maintenance	\$278,412	\$276,490	\$257,784
Capital Outlay	\$475,000	\$2,705,070	\$2,018,660
Debt Service	\$1,364,911	\$1,393,592	\$1,355,141
Transfers & Reserves	\$185,000	\$190,309	\$0
Service Charges	\$46,250	\$64,250	\$64,250
Totals	\$4,660,318	\$6,976,595	\$5,860,061





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GENERAL FUND BUDGET HIGHLIGHTS—ALTERNATIVE BUDGET

Revenue Enhancements to Minimize the Impact of the Deficit. Below were budget revenue increases that were proposed before the alternative budget. They have been included here in order to continue to minimize our deficit. Prior to the creation of the alternative budget, we were recommending the utilization of a portion of this revenue for future capital, and direct charges for service.

Optional Consumer Utility Tax—General Fund (Revenue Impact: ~\$107,000)

Residential: \$1.75 increase (\$3.00 cap)

Non-residential: \$5.00 minimum (\$50.00 cap)

Optional Vehicle License Fee—General Fund (Revenue Impact: \$21,500)

Per Vehicle: \$5.00 increase

New Refuse Collection Contract—General Fund

Per Household: \$5.54 increase

(Tipping fees increased from \$36 to \$43.20; overall requirement of approximately \$70,000 in order to subsidize tipping fees)

Capital Improvement Plan Budget (Revenue Impact: \$1,058,861)

Bicycle | Pedestrian Trail Master Plan Phase I (Debt Service + Grant) = \$1m

Woodstock Police Department Facility Repairs = \$39,074

Riverview Park Roof Replacements = \$19,787

General Fund Revenue Source	FY 21 Alternative Budget
General Property Taxes	\$1,248,128
Other Local Taxes	\$2,599,646
Business Revenues	\$889,800
Intergovernmental	\$1,099,318
Financing/Fund Balance	\$1,467,003
Total	\$7,303,895



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UTILITIES FUND BUDGET HIGHLIGHTS—ALTERNATIVE BUDGET

Revenue Enhancements to Minimize the Impact of the Deficit. Below were budget revenue increases that were proposed before the alternative budget. They have been included here in order to continue to minimize our deficit. Prior to the creation of the alternative budget, we were recommending the utilization of a portion of this revenue for future capital, and direct charges for service.

Water & Sewer Rate Increase—Public Utilities Fund (Revenue Impact: \$48,000/\$64,000)

Option 1: Minimum Bill—\$1.50 increase + \$0.10 per thousand gallons (~\$48,000)

Option 2: Minimum Bill—\$1.50 increase + \$0.30 per thousand gallons (~\$64,000)

(Assuming 90% receipts, as there is a reduction in consumption at this time)

Capital Improvement Plan Budget (Revenue Impact: \$2,018,660)

Wastewater Treatment Plant Membrane Filter Replacement (Debt Service) = \$2,018,660

Public Utilities Fund Revenue Source	FY 20 Budget	FY 21 Alt Budget
Revenue from Use of Money/Property	\$57,500	\$43,125
Charges for Service	\$4,120,318	\$3,710,982
Miscellaneous Revenues	\$142,500	\$2,000
Other Financing Sources	\$340,000	\$2,103,954
Totals	\$4,660,318	\$5,860,061

