



Town of Haymarket  
15000 Washington Street, #100  
Haymarket, VA 20169  
703-753-2600

## Memorandum

To: Honorable Mayor and Town Council  
From: Roberto Gonzalez, Town Treasurer  
Date: January 06, 2025  
Re: 2 to 5 year Revenue/Expenditure Forecasting Report

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During the Strategic Planning session on October 26, 2024, the Town Council requested that the financial advisors be engaged to produce a comprehensive report to assist in forecasting the Town's revenue and expenditures over the next 2 to 5 years. Based on the recommendation of the Strategic Planning Consultant, it is advised that this analysis be conducted by the Town's financial advisors.

### Deliverables

#### Plan of Finance:

VML/VACo Finance will prepare a Plan of Finance ("Plan") for funding capital projects and equipment over the next five years that are identified in the Town's Capital Improvement Plan. The Plan will include a financial forecast of the Town's revenues and expenses for up to five years to determine if the projects and equipment purchases are affordable within the constraints of existing resources. The analysis will provide a detailed action plan for funding the projects and equipment that are affordable, including identifying sources of funding such as cash, equipment lease-purchase financing, and debt. Recommendations regarding the optimal timing of projects and equipment purchases will be an integral part of the Plan of Finance. The availability of cash and the Town's credit profile will be considered when preparing this analysis and developing the recommendations. A review of key debt and fund balance ratios will be incorporated into the analysis.

Our report will be prepared in presentation format to be presented to the Town Council, outlining the key points of the Plan of Finance. The report will be an actionable plan that will serve as a guide as the Town undertakes the projects and equipment purchases identified in its CIP.

VML/VACo Finance will meet with Town staff prior to presenting the Plan of Finance to the Town Council to solicit their feedback. Adjustments to the presentation will be made as appropriate.

In developing the Plan of Finance, VML/VACo Finance staff will rely on the Town's existing documents –ACFR, CIP, and Adopted Budget. We may request additional information as necessary.

**Fees:**

VML/VACo Fee:

The fee for a Plan of Finance is \$14,500. Upon execution of this agreement, an initial payment of \$5,000 will be due. The balance of \$9,500 will be due upon delivery (electronically or in-person) of the final report to Town staff.

VML/VACo Finance will be available to assist the Town with implementing financing recommendations provided in the Report according to its usual fee schedule effective at the time of financing. Methods of financing we support include, but are not limited to, municipal bonds, bank loans, government loans and grant programs, and equipment lease-purchase financing.

Any unanticipated services provided outside of the scope of these deliverables that do not have an established fee schedule may be provided upon request at the following hourly rates: Managing Director at \$195 per hour; and Municipal Advisor at \$145 per hour.

Staff recommends that the Town Council approve the agreement with the financial advisors to proceed with the revenue and expenditure forecasting study. This analysis will support the Town's Capital Improvement Plan (CIP) and will provide guidance to both the Council and Mayor during future budget sessions.

The report will be a great tool in informing the decision-making process, particularly as it relates to the prioritization and funding of upcoming CIP projects. By equipping the Council and Staff with a financial outlook, this study will enhance the effectiveness and strategic direction of the Town's budgeting process, ensuring alignment with long-term fiscal goals and priorities.