

**Town Manager's Proposed
Fiscal Year 2023 Budget
&
Fiscal Year 2023-2027 Capital Improvement Plan**

January 20, 2022

Town Manager
Jason Cournoyer



**TOWN
OF
Lovettsville
VIRGINIA**

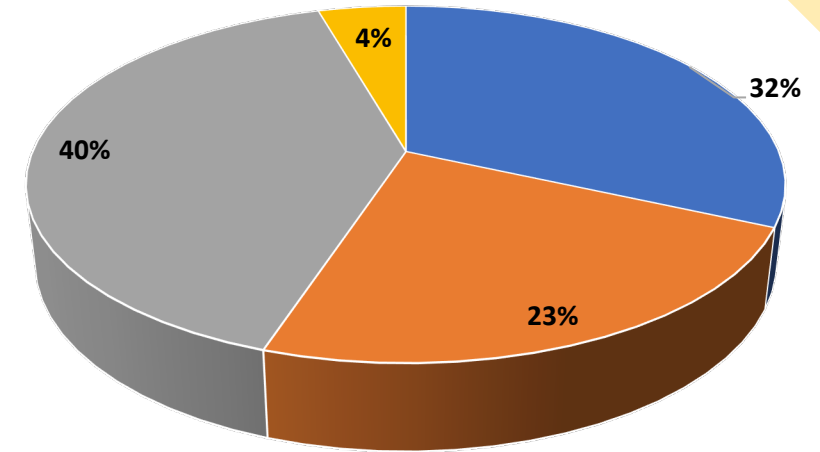
Budget Overview: Proposed FY 2023 Budget

- The Fiscal Year 2023 Proposed Budget for all funds totals **\$5,549,356**.
- This represents an overall increase of **\$1,354,302** or **32.1 percent**.

The table below illustrates the FY 2022 v. FY 2023 Proposed Budget by Fund.

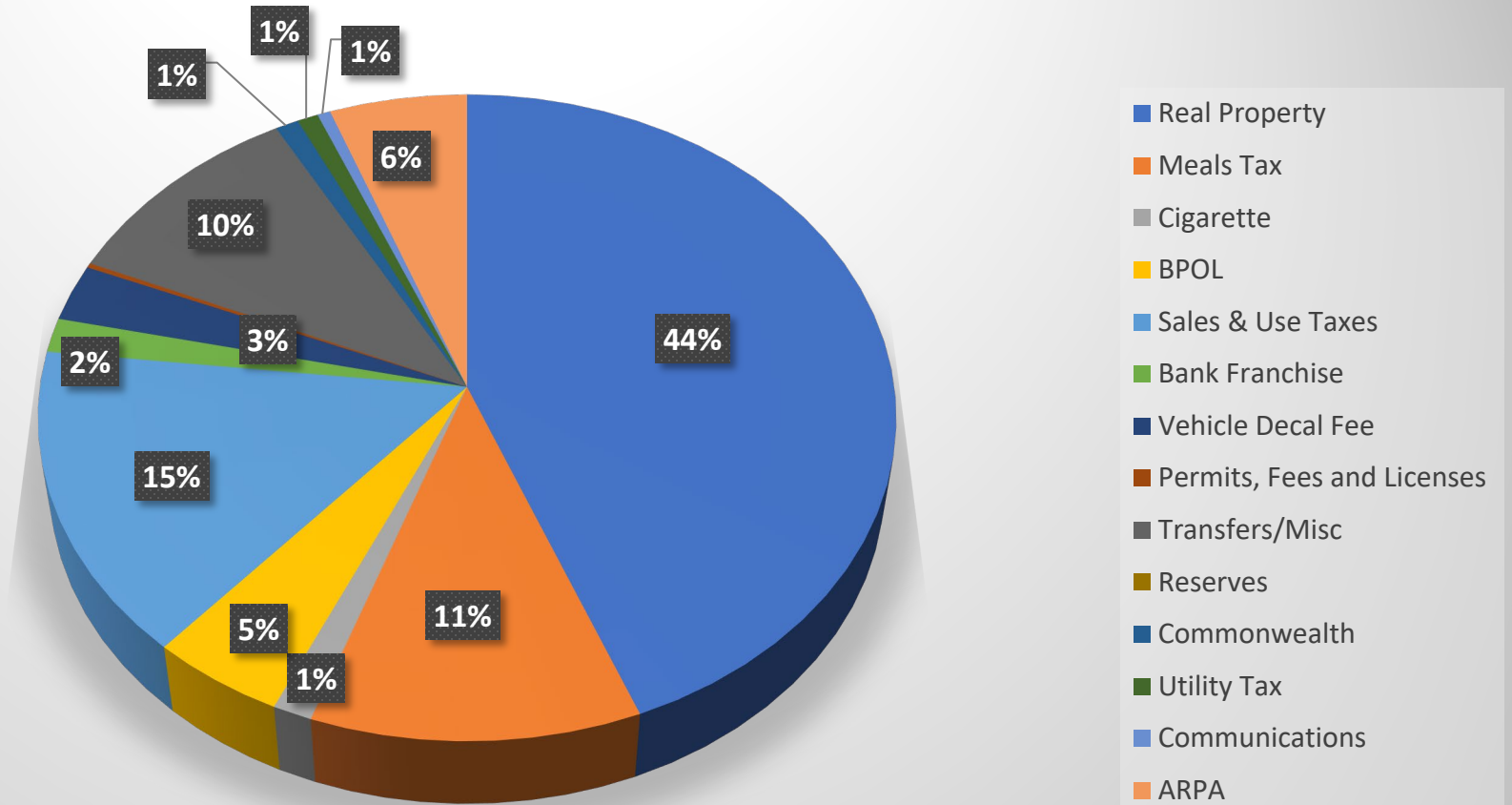
Fund	FY 2022 Adopted	FY 2023 Proposed	\$ Change	% Change
General Fund	\$1,354,847	\$1,758,787	\$403,940	29.80%
General Government– Capital Projects Fund	\$668,000	\$1,298,500	\$630,500	94.40%
Utilities Fund	\$1,948,637	\$2,244,486	\$319,862	16.60%
Event Fund	\$247,583	\$247,583	\$0	-%
Total- All Funds	\$4,219,067	\$5,549,356	\$1,354,302	32.1%

All Funds as % of Total Budget



■ General Fund ■ Capital Projects ■ Utilities Fund ■ Events Fund

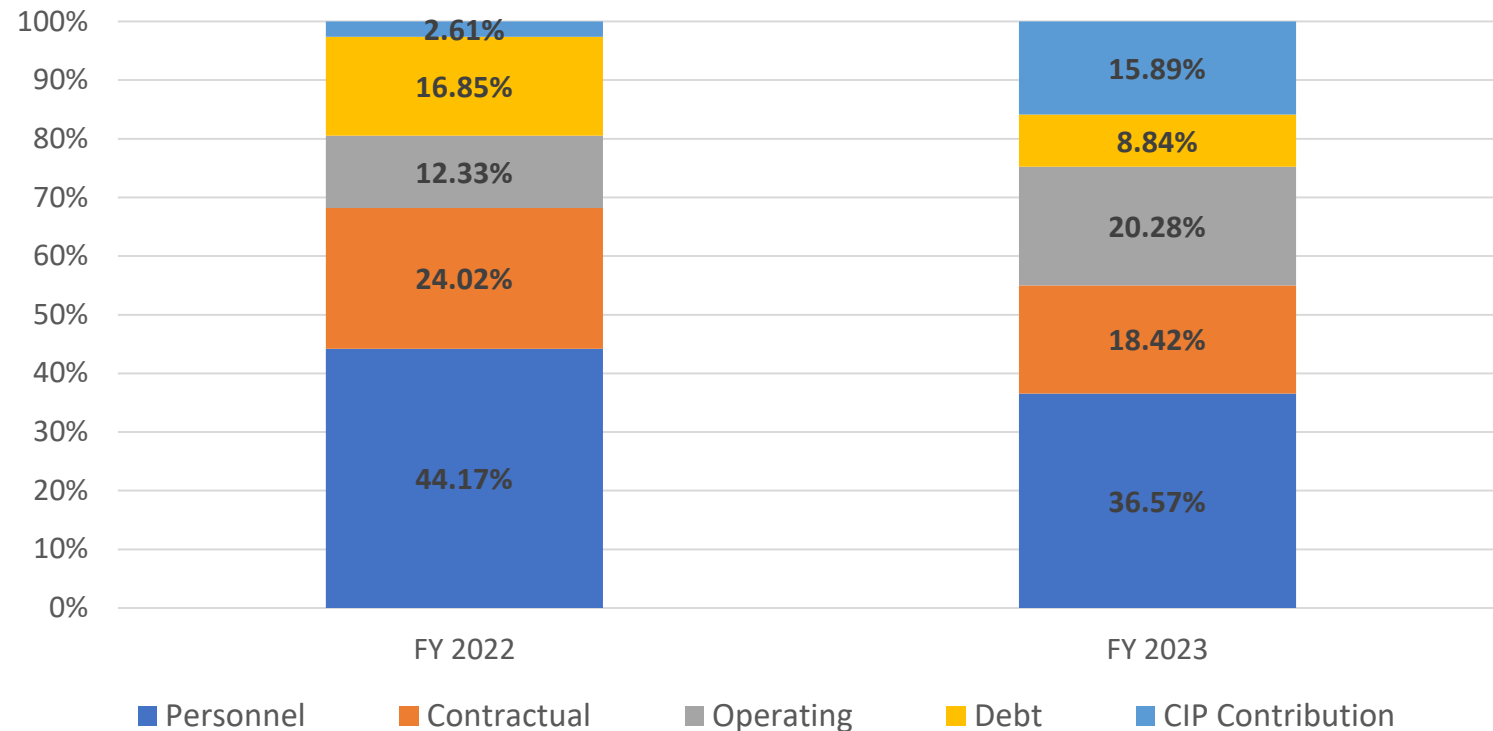
General Fund Revenue Sources



General Fund Budget Allocation by Category

- The Proposed Fiscal Year 2023 Budget for the General Fund totals **\$1,758,787** or an increase of **\$403,940** or **29.8%**.
- Increases in the General Fund budget is attributed to:
 - Personnel (salary and benefit adjustments)
 - Contractual Services Cost Increases (landscaping and IT consulting)
 - Proposed \$284,500 Contribution to fund the CIP
 - \$50,000 for Nonprofit Grants and \$50,000 for Business Interruption Grants funded by ARPA

FY 2022 v. FY 2023 General Fund Budget by Categories



Real Estate Taxes

- One of the Town Council adopted priorities is to “*maintain equalized tax rates and established user fees.*”
- Equalized tax rates are intended to collect the **SAME amount of revenue from the SAME parcels** in the following year.
- The **Town did not add ANY new residential or commercial units** in 2022.
- Real estate **property taxes are collected semi-annually**, half in June and half in December.
- **The 2022 tax rate impacts the current fiscal year**, as tax year 2022 (calendar year) overlaps both Fiscal Year 2022 (June payment) and Fiscal Year 2023 (December 2022 payment).

Proposed Real Estate Tax Rate

- The projected value per **1¢ of Real Estate Tax Rate is \$44,492.**
- The Town's **980 residential units** make up **97%** of the 1,011 total taxable parcels in the Town.
- **Residential re-evaluation for 2022 increased 16.7% overall over 2021** for an average assessment of \$428,890 or an increase of \$61,363.
- The Proposed Fiscal Year 2023 General Fund budget is **based on a 15.2¢ real estate tax rate for the proposed operating and debt costs.**
- **The resulting impact of the equalized tax rate on Fiscal Year 2022 is a decrease of \$56,985 in expected General Fund revenue** compared to the current tax rate of \$17.8¢.

Proposed Tax Rate (Equalized) Comparison to other Loudoun County Towns

Town	Average Assessment	FY 2022 Real Estate Tax Rate	2021 Annual Residential Tax Bill
Hamilton	\$ 366,429	28.0¢	\$ 1,026.00
Round Hill	\$ 399,300 *	9.6¢	\$ 383.33
Middleburg	\$ 540,229	15.3¢	\$ 826.00
Lovettsville	\$ 428,890	15.2¢	\$ 651.91

*Round Hill reflects 2020 average assessment value and Fiscal Year 2022 Real Property Tax Rate.

ALTERNATE Real Estate Tax Rate

- A **contribution from the General Fund of \$93,434** in Fiscal Year 2023 is required to maintain the proposed financial policy revisions and fully fund the \$284,500 of programmed Pay-Go/ Capital Asset Replacement Reserve in the Proposed Capital Improvement Plan.
- An **alternative real estate tax rate of 17.27¢** would yield sufficient tax revenue to fund the required contribution to AVOID using Reserves or General Fund Unassigned Fund Balance for the Capital Improvement Plan in Fiscal Year 2023.
- The average residential tax bill would be **\$740.69, or an additional \$86.50 (\$7.21 per month)** compared to the Equalized Tax Rate of 15.2¢.
- The resulting impact of the 17.27¢ tax rate on Fiscal Year 2022 is a decrease of \$11,616 in expected General Fund revenue compared to the Current Tax Rate of 17.8¢.

ALTERNATE Tax Rate (Fully fund CIP) Comparison to other Loudoun County Towns

Town	Average Assessment	FY 2022 Real Estate Tax Rate	2021 Annual Residential Tax Bill
Hamilton	\$ 366,429	28.0¢	\$ 1,026.00
Round Hill	\$ 399,300 *	9.6¢	\$ 383.33
Middleburg	\$ 540,229	15.3¢	\$ 826.00
Lovettsville	\$ 428,890	17.27¢	\$ 740.69

*Round Hill reflects 2020 average assessment value and Fiscal Year 2022 Real Property Tax Rate.

Tax Bill Comparisons for Varying Tax Rates

Housing Type	2021 Avg. Tax Bill	Avg. 2022 Tax Bill @ 17.8¢	Avg. 2022 Tax Bill @ 15.2¢	Avg. 2022 Tax Bill @ 17.27¢
Single Family Detached	\$ 730.03	\$ 858.90	\$ 733.44	\$ 833.33
Townhome	\$ 550.47	\$ 600.43	\$ 512.73	\$ 582.55
All Residential Average	\$ 654.20	\$ 763.42	\$ 651.91	\$ 740.69

General Government: Capital Improvement Plan

- **All SEVEN General Govt projects are underway in Fiscal Year 2023 and total \$1,648,500 for Fiscal Year 2023.** Of this amount, \$350,000 has been requested for E. Broad Way Improvements, but not awarded from VDOT.

PROJECT EXPENDITURES:		FUNDING SOURCE	TOTAL COST	PREVIOUS YEARS	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-YR CIP COST
GF1	E. BROAD WAY 2A STREETScape IMPROVEMENTS	NC, CTY1, VDOT2	\$2,705,000	\$360,000	\$1,110,500	\$1,036,000	\$108,500	\$90,000	\$0	\$2,345,000
GF2	S. CHURCH STREET & E. PENNSYLVANIA AVENUE STREETScape IMPROVEMENTS	NC, CTY 1&2	\$1,549,000	\$393,000	\$358,000	\$498,000	\$210,000	\$90,000	\$0	\$1,156,000
GF3	S. LOUDOUN AND SOUTH LOCUST STREET STREETScape IMPROVEMENTS	NC, CTY2, VDOT2	\$2,935,000	\$80,000	\$80,000	\$365,000	\$810,000	\$1,375,000	\$225,000	\$2,855,000
GF4	TOWN SQUARE AND TOWN GREEN IMPROVEMENTS	NC, ARPA	\$87,000	\$0	\$20,000	\$40,000	\$27,000	\$0	\$0	\$87,000
GF5	TOWN OFFICE VEHICLE REPLACEMENT	ARPA	\$45,000	\$0	\$45,000	\$0	\$0	\$0	\$0	\$45,000
GF6	QUARTER BRANCH BARN IMPROVEMENTS/ STORAGE	NC	\$30,000	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000
GF7	TOWN SQUARE AND W BROAD WAY INTERSECTION IMPROVEMENTS	NC, CTY2	\$323,000	\$0	\$5,000	\$318,000	\$0	\$0	\$0	\$323,000
TOTAL EXPENDITURES			\$7,674,000	\$ 833,000	\$1,648,500	\$2,257,000	\$1,155,500	\$1,555,000	\$ 225,000	\$6,841,000

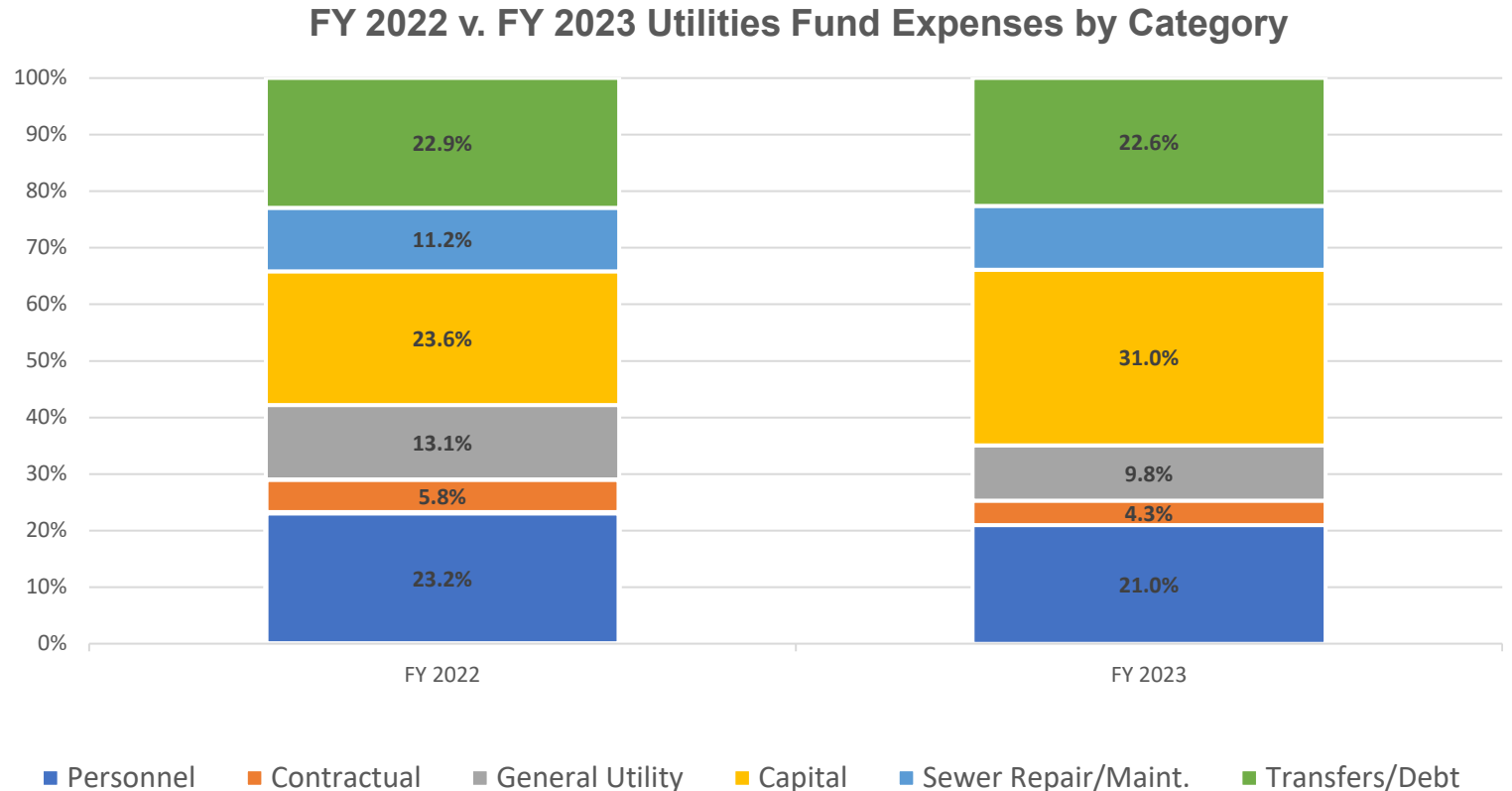
General Government: Capital Improvement Plan

- Fiscal Year 2023 includes \$284,500 as a General Fund Contribution deriving from a General Fund Contribution, Unassigned Fund Balance (UAFB) or Capital Asset Replacement Reserve.
- In order to AVOID use of UAFB, \$94,434 in additional revenue in Fiscal Year 2023 is required and achievable with a 17.27¢ RE Tax Rate.

PROJECT FUNDING SOURCES:	FUNDING SOURCE	TOTAL FUNDING	PREVIOUS YEARS	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-YR CIP COST
PAY-GO/ CAPITAL ASSET REPLACEMENT RESERVE	NC	\$1,179,000	\$358,000	\$284,500	\$101,000	\$225,500	\$165,000	\$25,000	\$ 801,000
LOANS	L	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -
LOUDOUN COUNTY 6-YEAR AWARDED FUNDS	CTY1	\$2,697,000	\$475,000	\$949,000	\$1,273,000	\$0	\$0	\$0	\$ 2,222,000
LOUDOUN COUNTY 6-YEAR REQUESTED FUNDS	CTY2	\$2,253,000	\$0	\$0	\$683,000	\$480,000	\$1,090,000	\$0	\$ 2,253,000
VDOT GRANT AWARDED	VDOT1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -
VDOT GRANT REQUESTED	VDOT2	\$1,500,000	\$0	\$350,000	\$200,000	\$450,000	\$300,000	\$200,000	\$ 1,500,000
AMERICAN RESCUE PLAN ACT OF 2021	ARPA	\$45,000	\$0	\$65,000	\$0	\$0	\$0	\$0	\$ 65,000
TOTAL REVENUES		\$7,674,000	\$ 833,000	\$1,648,500	\$2,257,000	\$1,155,500	\$1,555,000	\$ 225,000	\$6,841,000

Utilities Fund Budget Allocation by Category

- The Proposed Fiscal Year 2023 Budget for the Utilities Fund totals **\$2,244,486** or an increase of **\$319,862** or **16.6 %**.
- Increases in the Utilities Fund budget is attributed to:
 - Personnel (salary and benefit adjustments)
 - Contractual Services Cost Increases (landscaping and IT consulting)
 - Interfund Transfers (General Fund administrative overhead)
 - 3R expenditures and capital project funding (Required Contribution to CIP)



Water and Sewer User Rate Bill Comparison

Average Monthly Residential Usage

Total Average
Monthly Usage
(per Household)

3,850

Usage Amount Water and Sewer	Current Bill Rates	Proposed Bill Rates	Variance	Potential Annual Variance
0-2000 gallons	\$47.81	\$49.20	\$1.39	\$16.68
water charge on 1,850 gallons	\$17.08	\$17.59	\$0.52	\$6.24
sewer charge on 1,850 gallons	\$27.12	\$27.94	\$0.81	\$9.72
TOTAL	\$92.01	\$94.73	\$2.72	\$32.64

Utilities Fund: Capital Improvement Plan

- CIP includes use of **\$625,000** of the **2nd Tranche of ARPA** funding.
- **SEVEN** of the **nine projects** for the Utilities Fund will be underway in Fiscal Year 2023.

PROJECT EXPENDITURES:		FUNDING SOURCE	TOTAL COST	PREVIOUS YEARS	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	5-YR CIP COST
UF1	WWTP SLUDGE HANDLING: EVALUATION AND HAULING APPARATUS	3R, ARPA	\$ 300,000	\$ 100,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
UF2	CREEK BANK SHORING & REPAIR	3R	\$ 325,000	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UF3	I & I WATER GRAVITY/MANHOLE REPAIR	3R/ ARPA	\$ 200,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
UF4	WATERLINE REPLACEMENT FOR E BROAD WAY & SOUTH CHURCH STREET	3R/ ARPA	\$ 325,000	\$ 100,000	\$ 125,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 225,000
UF5	WTP IMPROVEMENTS TREATMENT SYSTEM EVALUATION AND REPAIR	3R/ ARPA	\$ 200,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
UF6	UTLITIY OPERATOR TRUCK REPLACEMENT	3R	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000
UF7	WWTP UV DISINFECTION BASIN UPGRADE	ARPA	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
UF8	SECURITY IMPROVEMENTS AND REHABILITATION OF FRYE COURT PUMP STATION	ARPA	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
UF9	NEW ELEVATED WATER TOWER	3R, L	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 1,500,000	\$ -	\$ 1,600,000
TOTAL EXPENDITURES			\$3,100,000	\$ 725,000	\$ 675,000	\$ 100,000	\$ 100,000	\$1,500,000	\$ -	\$2,375,000

Community Outreach & Feedback

- ▶ Proposed budget document will be available as a PDF on the Town website tomorrow at: www.lovettsvilleva.gov
- ▶ A hardcopy will be available at the Town Administrative Building and Lovettsville Museum as well.
- ▶ Town Council's FOUR Budget Work Sessions on: Feb. 3, 10, 24 and March 10th
- ▶ Budget Public Hearing on March 10
- ▶ Budget and Tax Rate Adoption/ Public Hearing on March 24