

**Town Manager's
Proposed
Fiscal Year 2025
Budget
&
FY 2025 -2029
Capital
Improvement Plan**

January 25, 2024

Town Manager
Jason Cournoyer

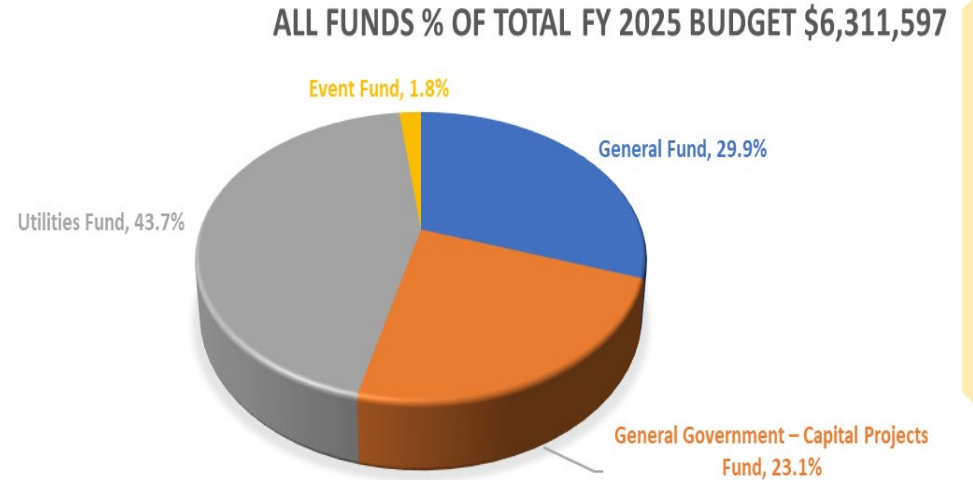


**TOWN
OF**
Lovettsville
VIRGINIA

Budget Overview: Proposed FY 2025 Budget

- The Fiscal Year 2025 Proposed Budget for all funds totals **\$6,311,597**.
- This represents an overall decrease of **\$696,960 or 9.9 percent**.

The table below illustrates the FY 2024 v. FY 2025 Proposed Budget by Fund.



Fund	FY 2024 Adopted	FY 2025 Proposed	FY 2024 v FY 2025	
			\$ Change	% Change
General Fund	\$1,757,328	\$1,980,347	\$223,019	12.7%
General Government – Capital Projects Fund	\$2,330,000	\$1,458,400	-\$871,600	-37.4%
Utilities Fund	\$2,588,579	\$2,757,000	\$168,421	6.5%
Event Fund	\$332,650	\$115,850	-\$216,800	-65.2%
Total Expenditures	\$7,008,557	\$6,311,597	(\$696,960)	-9.9%

Overall Budget Themes/ Focus Areas

- **PERSONNEL**

- Proposed 2% Cost-of-Living-Adjustment and 3.5% Merit
- Adjustments to Benefits- Retirement and Healthcare

- **UPKEEP AND MAINTENANCE OF TOWN ASSETS/FACILITIES**

- Public Works Coordinator full-time position (approx. \$51,000)
- Refuse Toter Program (\$23,000)

- **FUND OPERATING WITH EQUALIZED RATES**

- General Fund Operating fully funded at Equalized RE rate (14.75¢)
- Water/Sewer Rates keep pace with operating expense increases at 3%
- Events Fund predicated on outsourcing of large portion of 2024 Oktoberfest

- **MAINTAIN CURRENT SERVICE LEVELS**

- Washington-Baltimore Region Inflation (2.1%: Dec 2022-2023)
- Efficient Water and Sewer Operations

January 25, 2024



Fiscal Year
2025

General
Fund



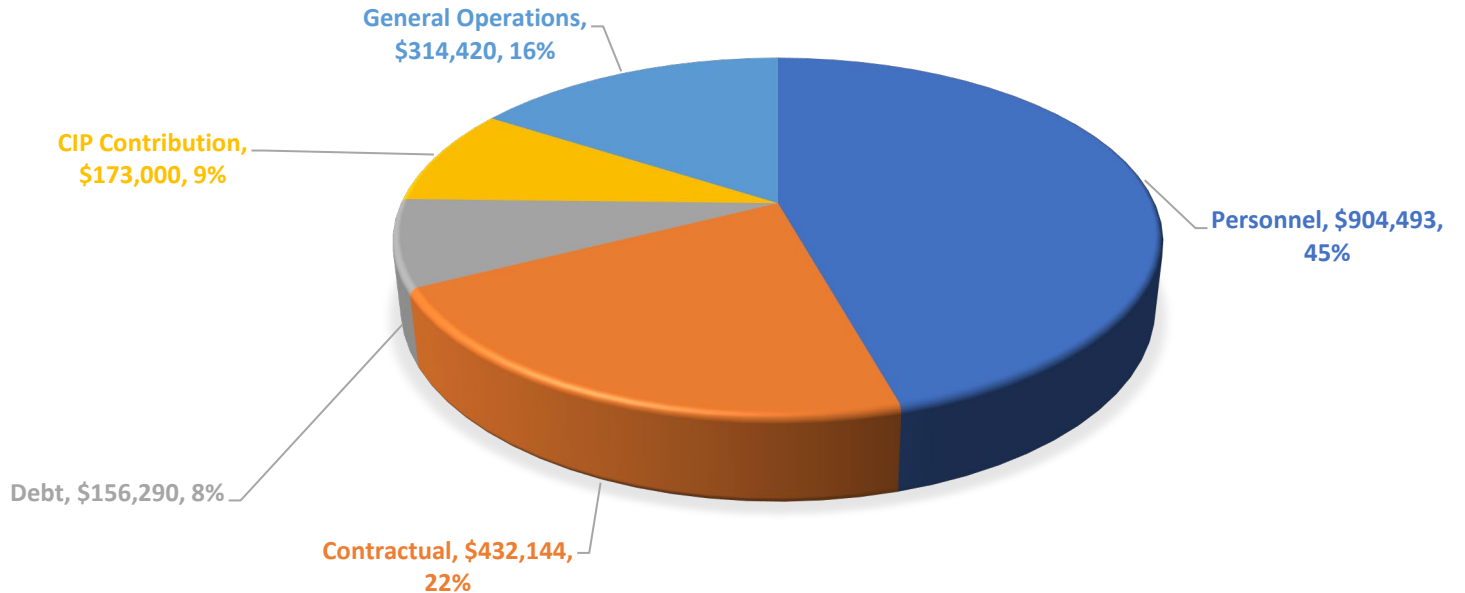
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January 25, 2024

General Fund Budget Allocation by Category

- The Proposed Fiscal Year 2025 Budget for the General Fund totals **\$1,980,347** or an increase of **\$223,019** or **12.7%**.
- Increases in the General Fund budget is attributed to:
 - Personnel (salary and benefit adjustments)
 - Contractual Services Cost Increases (Recycling/ Refuse Collection, IT managed services, electricity)
 - Enhancements (PW Coordinator and Refuse Toter Program)
 - Tree Maintenance for Tree City USA
 - Facility Maintenance/ Repairs (Masonry at Walker Pavilion)
 - CIP Contribution
- Offsetting decreases include the elimination of most of conceptual design consulting

HOW GENERAL FUND REVENUE IS SPENT...



Proposed Enhancements

The proposed budget includes two program enhancements for Town Council's consideration.

Public Works Coordinator: \$50,940. This proposed enhancement is to add a dedicated full-time position to the upkeep of Town facilities, maintain cleanliness and beautification of public spaces throughout town, assist with maintenance of the Town's utilities system, and to provide additional focus on the overall upkeep and resolution of issues. This position will coordinate with other agencies regarding issues with road conditions, signage, streetlights, etc. The Proposed Fiscal Year 2025 budget includes \$85,500 for the personnel related costs, with offsetting contractual savings of \$9,000 and a cost share with the Utilities Fund equivalent to 30% of personnel costs of \$25,560. The total net cost to the General Fund is \$50,940.

Town-wide Refuse Toters Program: \$23,000. This proposed enhancement would implement a supplemental contractual service where each residential and commercial parcel would be provided a dedicated large, covered refuse toter. This is an effort to ensure more cleanliness of the Town's streets and neighborhoods, improved consistency of collection efforts, and ensures the refuse and recycling facilities are of good, lasting quality to avoid the littering occurring from damaged and uncovered cans.

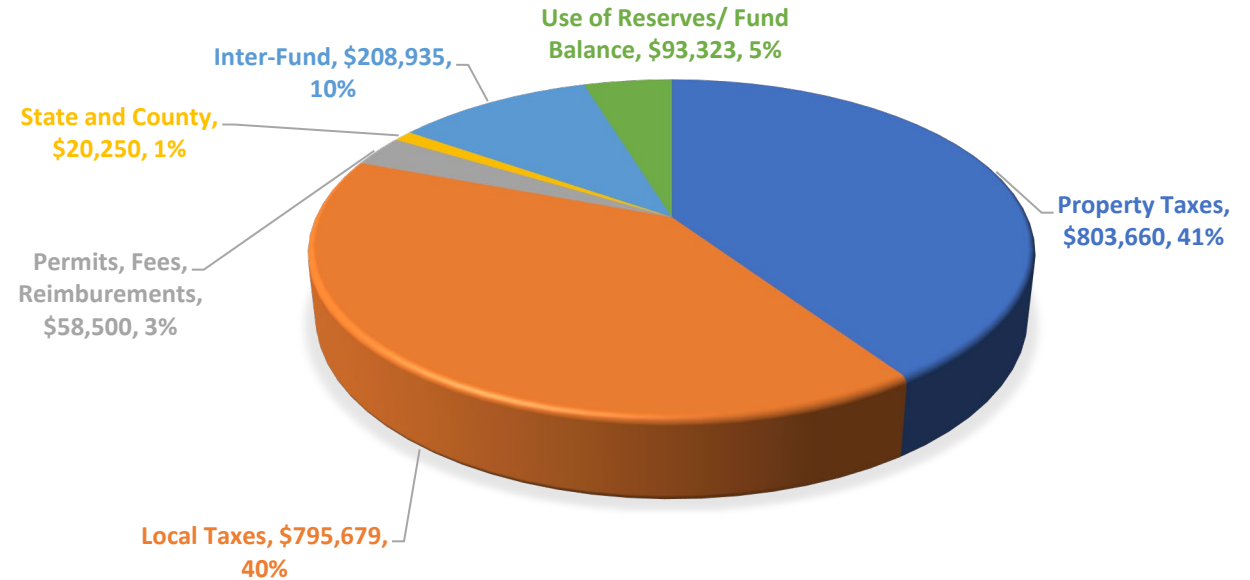
General Fund Revenue Sources

Increases in the General Fund estimated revenues are attributed to:

- Real Estate Taxes (\$37,215)
- Consumer Taxes (\$32,050)
- Investment Interest (\$40,000)
- Administrative Overhead (\$19,531)
- Use of Unassigned Fund Balance for CIP (\$92,773)

ALL other General Fund revenues are projected to remain stable.

WHERE GENERAL FUND REVENUE COMES FROM...



Real Estate Taxes

- One of the Town Council's recurring tenets 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.
- Real estate **property taxes are collected semi-annually**, half in June and half in December.
- **The 2024 tax rate impacts the current fiscal year**, as tax year 2024 (calendar year) overlaps both Fiscal Year 2024 (June 2024 payment) and Fiscal Year 2025 (December 2024 payment).

Proposed Real Estate Tax Rate

- The projected value per 1¢ of Real Estate Tax Rate is \$52,700.
- The Town's 977 residential units make up 97% of the 1,012 total taxable parcels in the Town.
- Residential re-evaluation for 2024 increased 4.0% overall over 2023 for an average assessment of \$504,358, or an increase of \$19,507.
- The Proposed Fiscal Year 2025 General Fund budget is based on an unchanged real estate tax rate of 15.25¢ for the proposed operating and debt costs.
- The calculated residential equalized tax rate is 14.75¢ which comparatively is a decrease of \$37,215 in expected FY 2025 General Fund revenue compared to the proposed tax rate of \$15.25¢.

PROPOSED VS. EQUALIZED Tax Rate

- The Proposed Budget includes \$37,215 in additional revenue based on a proposed 15.25¢ rate versus the Residential Equalized Rate of 15.25¢.
- ALL FISCAL YEAR 2025 GENERAL FUND OPERATING, DEBT, AND GENERAL GOVERNMENT CAPITAL IMPROVEMENT PLAN EXPENDITURES ARE FULLY FUNDED AT THE EQUALIZED TAX RATE.
- The additional funding is proposed to be utilized for:
 - Enhancement Public Works Coordinator Position
 - Refuse Toter Program

Tax Bill Comparisons for Varying Tax Rates

	CURRENT TAX RATE 15.25¢		PROPOSED TAX RATE 15.25¢				EQUALIZED TAX RATE 14.75¢			
	2023		2024		Variance		2024		Variance	
Housing Type	Average Assessment	Average Tax Bill	Average Assessment	Average Tax Bill	Annual	Monthly	Average Assessment	Average Tax Bill	Annual	Monthly
Single Family Detached	\$547,452	\$834.86	\$566,192	\$863.44	\$28.58	\$2.38	\$566,192	\$835.13	\$0.27	\$0.02
Townhome	\$367,517	\$560.46	\$380,063	\$579.60	\$19.13	\$1.59	\$380,063	\$560.59	\$0.13	\$0.01
All Residential	\$ 484,850	\$ 739.40	\$504,358	\$ 769.15	\$ 29.75	\$ 2.48	\$504,358	\$743.93	\$ 4.53	\$ 0.38

The proposed tax rate, on average, results in an annual tax bill increase of \$29,75, or \$2.48 per month more compared to the 2023 tax bills. In comparison to the Equalized tax rate, the 2024 annual bill would be, on average, \$4.53 more or \$0.38 per month than 2023.

Fiscal Year
2025-2029

Capital
Improvement
Plan - General
Government



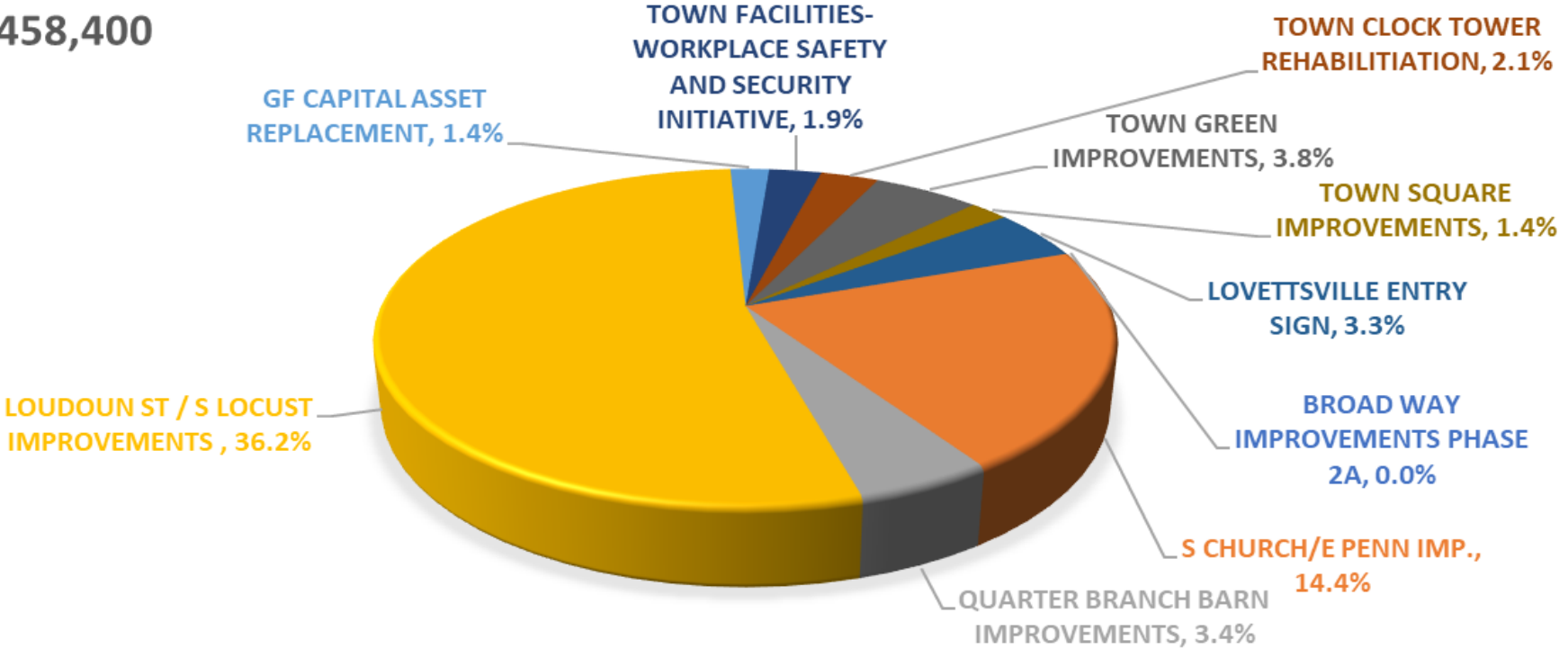
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General Government: Capital Improvement Plan

- **Ten General Government projects are underway in Fiscal Year 2025 and total \$1,458,400.**

FY 2025 GENERAL GOVT - CAPITAL PROJECTS FUND EXPENDITURES
\$1,458,400



General Government: Capital Improvement Plan

- Fiscal Year 2025 includes \$173,000 as a General Fund Contribution deriving from a General Fund operating revenue and Use of Unassigned Fund Balance and Capital Asset Replacement Reserve.
- The Town remains reliant on Grant Funding of \$1,285,400 or 88% of the programmed funding for FY 2025.

PROJECT FUNDING SOURCES:	FUNDING SOURCE	TOTAL FUNDING	PREVIOUS YEARS	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-YR CIP COST
PAY-GO/ CAPITAL ASSET REPLACEMENT RESERVE/ EVENTS FUND RESERVE	NC	1,012,500	677,500	173,000	60,000	-	102,000	-	335,000
LOANS	L	-	-	-	-	-	-	-	-
LOUDOUN COUNTY CIP AWARDED FUNDS	CTY1	5,514,200	3,757,000	470,000	997,000	103,000	-	41,000	1,611,000
LOUDOUN COUNTY CIP REQUESTED FUNDS	CTY2	1,285,600	-	50,000	-	-	58,000	324,400	432,400
VDOT GRANT AWARDED	VDOT1	9,734,100	1,345,000	738,400	1,318,000	1,369,500	4,963,200	-	8,389,100
VDOT GRANT REQUESTED	VDOT2	5,450,700	-	-	-	-	72,000	829,600	901,600
AMERICAN RESCUE PLAN ACT OF 2021	ARPA	27,000	-	27,000	-	-	-	-	27,000
TOTAL REVENUES		\$ 23,024,100	\$ 5,779,500	\$ 1,458,400	\$ 2,375,000	\$ 1,472,500	\$ 5,195,200	\$ 1,195,000	\$ 11,696,100

Fiscal Year
2025

Utilities
Fund



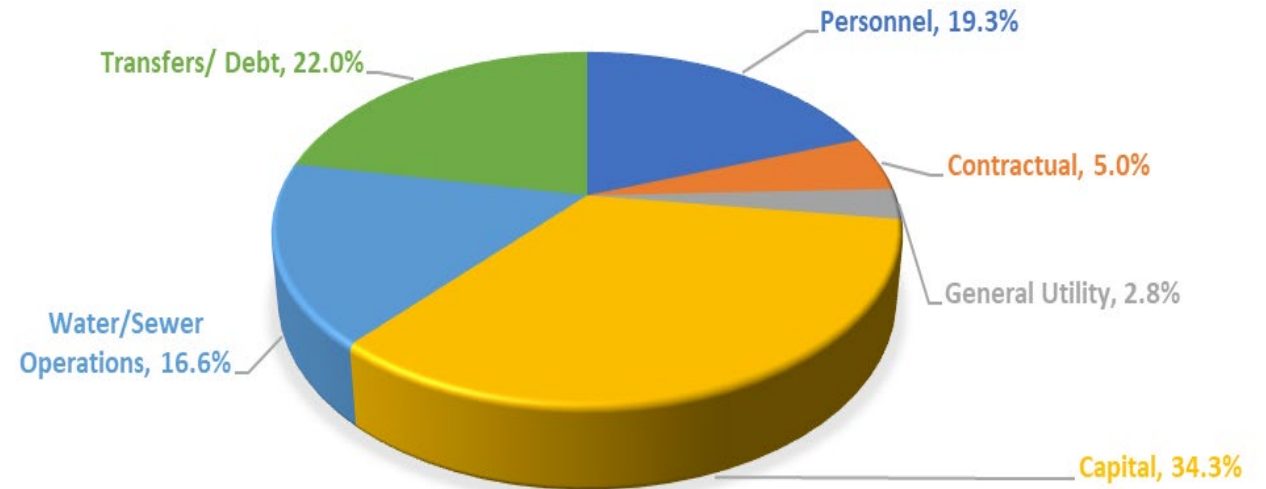
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Utilities Fund Budget Allocation by Category

- The Proposed Fiscal Year 2025 Budget for the Utilities Fund totals **\$2,757,000** or an increase of **\$168,421** or **7.2%**.
- Increases in the Utilities Fund budget is attributed to:
 - Personnel (salary and benefit adjustments)
 - Contractual Services Cost (electricity)
 - Maintenance/ Repairs (I&I. Leaks and Meters)
 - Capital Projects
 - Water/Sewer Operations
 - Transfers/Debt

FY 2025 UTILITIES FUND EXPENDITURES \$2,757,000



Utilities Fund Revenue Sources

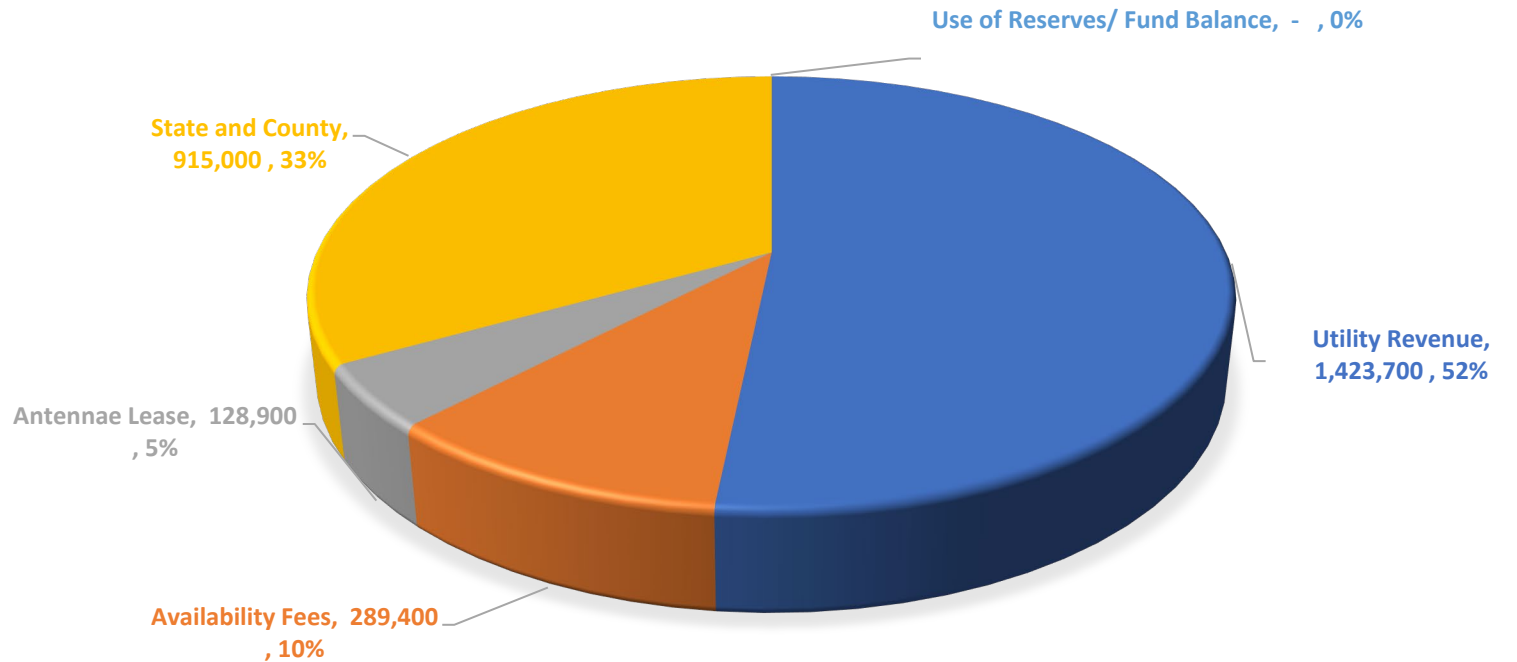
Increases in the Utilities Fund estimated revenues are attributed to:

- Investment Interest (\$16,546)
- Water/ Sewer User Rates (\$39,000)
- Cellular Antennae Lease (\$4,875)
- ARPA (\$130,000)

Decreases in revenue include:

- Use of 3R Reserve (\$20,000)

WHERE UTILITIES FUND REVENUE COMES FROM...



Water and Sewer User Rate Bill Comparison

Average Monthly Residential Usage

The FY 2025 Proposed Budget includes a 3% rate increase for water and sewer user rates. The average monthly use is 3,850 gallons. The proposed rate increase would result in a monthly bill increase of \$2.93, or from \$97.60 to \$100.53.

Charges	FY 2024 Rates	Charges based on FY 2023 Rates	Proposed FY 2025 Rates	Charges based on Proposed FY 2025 Rates	Variance
Minimum rate	\$50.70	\$50.70	\$52.22	\$52.22	\$1.52
0-2,000 Gallons					
Water Charges	\$9.80 per 1,000 gallons	\$18.13	\$10.09 per 1,000 gallons	\$18.67	\$0.54
1,850 above Min.					
Water Charges	\$15.55 per 1,000 gallons	\$28.77	\$16.02 per 1,000 gallons	\$29.64	\$0.87
1,850 above Min.					
Total Monthly Billed		\$97.60		\$100.53	\$2.93

Utilities Fund: Capital Improvement Plan

- CIP includes the proposed use of **\$915,000 of ARPA** funding or 97 percent of the \$945,000 in total funding.
- **Seven of the 10 projects** for the Utilities Fund will be underway in Fiscal Year 2025.

PROJECT EXPENDITURES:		FUNDING SOURCE	TOTAL COST	PREVIOUS YEARS	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5-YR CIP COST
TLOV-2020-03	PENNSYLVANIA AVENUE WATERMAIN REPLACEMENT	ARPA	307,000	307,000	-	-	-	-	-	-
TLOV-2019-03	QUARTER BRANCH ROAD WATERMAIN REPLACEMENT	ARPA	562,000	62,000	500,000	-	-	-	-	500,000
TLOV-2024-04	WASTE WATER TREATMENT PLANT UPGRADES AND IMPROVEMENTS	3R, ARPA	290,000	175,000	35,000	35,000	15,000	15,000	15,000	115,000
TLOV-2025-02	NEW ELEVATED WATER TOWER	L, ARPA	1,600,000	100,000	-	1,500,000	-	-	-	1,500,000
TLOV-2022-02	UTILITIES FUND CAPITAL ASSETS REPLACEMENT	ARPA	90,000	-	90,000	-	-	-	-	90,000
TLOV-2024-05	WATERMAIN REDUNDANCY IMPROVEMENTS	3R, ARPA	100,000	30,000	30,000	20,000	20,000	-	-	70,000
TLOV-2025-04	PARK PLACE WATER PLANT REHABILITATION	3R, ARPA	125,000	-	125,000	-	-	-	-	125,000
TLOV-2025-05	UTILITIES FACILITIES - WORKPLACE SAFETY AND SECURITY INITIATIVE	ARPA	125,000	-	125,000	-	-	-	-	125,000
TLOV-2025-03	WASTE WATER TREATMENT PLANT GENERATOR	ARPA	90,000	90,000	-	-	-	-	-	-
TLOV-2024-06	WATER PLANT UPGRADES AND IMPROVEMENTS	3R, ARPA	253,070	123,070	40,000	20,000	20,000	20,000	30,000	130,000
TOTAL EXPENDITURES			\$ 3,542,070	\$ 887,070	\$ 945,000	\$ 1,575,000	\$ 55,000	\$ 35,000	\$ 45,000	\$ 2,655,000

Budget Summary- Conclusion

- ▶ Overall, the proposed budget continues to provide the **current level of the services** provided with a focus on **long-term financial sustainability and upkeep and maintenance of the Town's assets and facilities**.
- ▶ The proposed real estate tax rate positions the Town for lasting enhancements to several facilities to encourage more use of Town facilities.
- ▶ The water and sewer **user rates keep pace** with the overall increases in the Utilities operating costs; however, there remains a reliance of availability fees and investment income.
- ▶ Operating budgets include **personnel compensation** increases that are intended to keep pace with other local governments in the region (2% COLA and 3.5% Merit)... average in the region is closer to 7%.

Community Outreach & Feedback

- ▶ Proposed budget document will be available as a PDF on the Town website tomorrow, January 26th at: www.lovettsvilleva.gov
- ▶ A hardcopy will be available at the Town Administrative Building and the Lovettsville Library.
- ▶ Town Council's FOUR Budget Work Sessions on: Feb. 2nd, 8th, 22nd and March 8th.
- ▶ Budget Public Hearing on February 22nd
- ▶ Budget and Tax Rate Adoption/ Public Hearing on March 20th