

Fiscal Year 2025 Proposed Budget

Annual Operating Budgets

- General Fund
- Utilities Fund

Six-Year Capital Improvements Program

Fiscal Years 2025 – 2030

Town Council Meeting
February 13, 2024

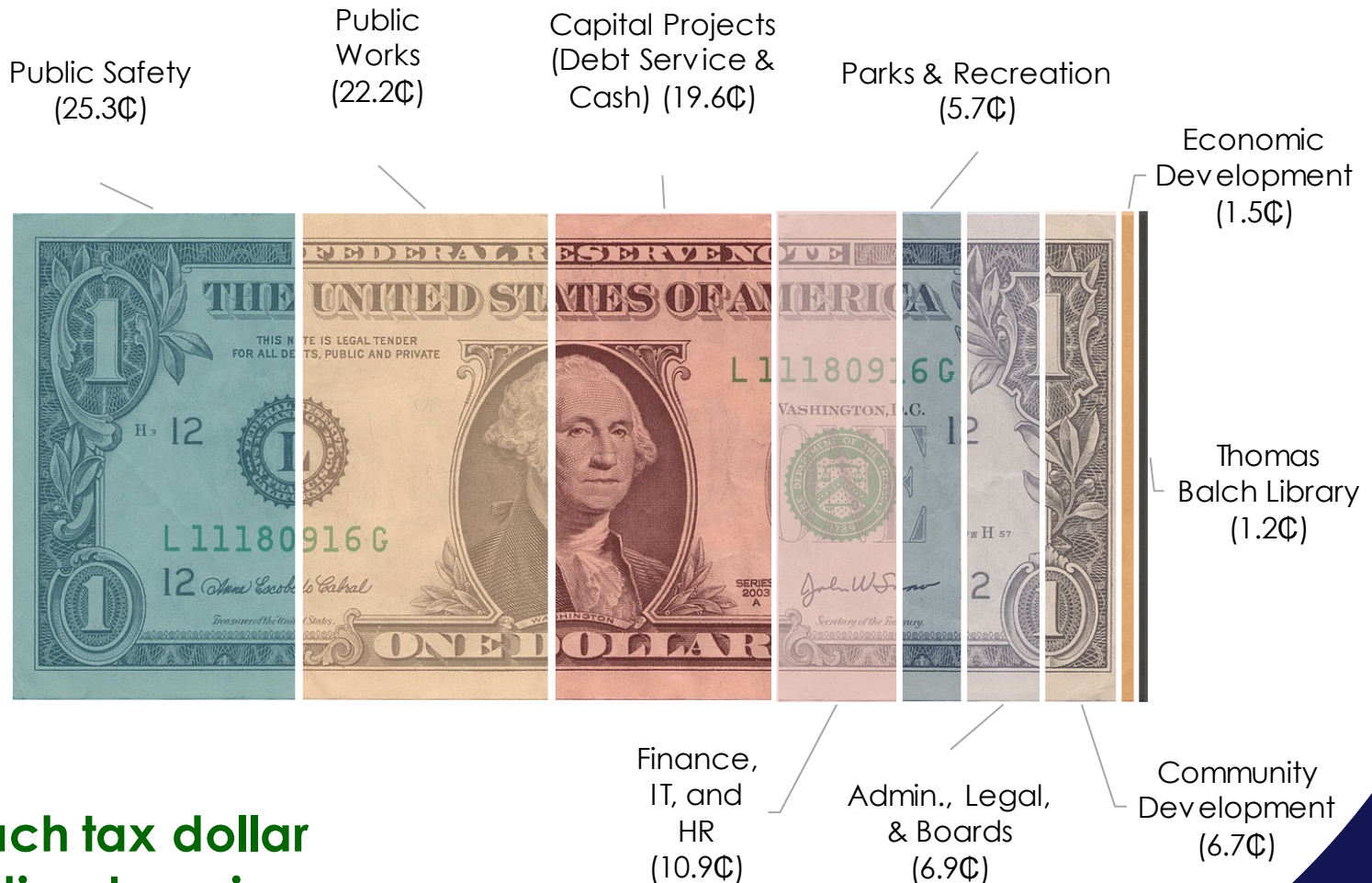
Budget Highlights

- Lean Budget
- Modest revenue growth in FY 2025
- Strong Financial Portfolio
- Triple-AAA Bond Rating
- Strategic Use of Reserves
- Investments
 - Capital Improvements Program
 - Capital Asset Replacement Program
 - Workforce
- Real Estate Tax Rate: **No Change**

FY 2025 Budget Overview

Budget Description	FY 2024 Budget	FY 2025 Proposed
General Fund (Operating)	\$78,393,510	\$81,571,973
Utilities Fund (Operating)	\$29,504,222	\$31,146,140
Capital Improvement Program (CIP) – General Government	\$40,120,264	\$30,596,106
Capital Improvement Program (CIP) – Utilities	\$11,123,070	\$14,512,500
TOTAL	\$159,141,066	\$157,826,719

Your Town Tax Dollar at Work



74¢ of each tax dollar goes to direct services
(Police, Public Works, Capital Projects, Parks & Recreation, and Balch Library)

General Fund

Key Base Budget Adjustments

▶ Operations

- ◆ New Leases **\$376K**
 - New office space and Mobile Air Traffic Control Tower
- ◆ Stormwater Management **\$306K**

▶ Personnel

- ◆ 4% Average Pay-for-Performance **\$810K**
- ◆ 3% Cost-of-Living Adjustment **\$1.2M**
- ◆ Health Insurance Increases **\$395K**
 - Funded with reserves in the Self-Insurance Fund

General Fund

Proposed Key Enhancements

- ▶ **Contribution to Leesburg Movement, a Council-approved Main Street Program**
 - ◆ \$30K Use of Unassigned Fund Balance for FY 2025

- ▶ **School Zone Speed Cameras**
 - ◆ Two school zones to be identified for FY 2025
 - ◆ \$88,500 in expenditures (part-time staff and equipment)
 - ◆ Net positive budget impact

Capital Asset Replacement

- ▶ Increased Recurring Funding for CARP to \$3M
- ▶ Funded with Lease Financing
- ▶ Council Chambers AV **\$500K**
- ▶ Department Requests:
 - ◆ Motor vehicle/equipment/apparatus - **\$1.9M**
 - ◆ Facilities - **\$811K**
 - ◆ Technology - **\$295K**

How Do We Pay for It?

- ▶ Base Budget Savings
- ▶ Items not included or reduced
 - ◆ Unfunded enhancements and studies
- ▶ Revenues
- ▶ Reserves as part of Long Term-Sustainability Plan
 - ◆ Debt Service Reserve, Revenue Stabilization Reserve, Self-Insurance Fund

General Fund Base Budget Adjustments

► Areas of Savings

- ◆ Net Refuse/Recycling Fuel Surcharge: **\$100K**
- ◆ Insurance Due to New Provider: **\$86K**
- ◆ Other Post Employment Benefits (OPEB): **\$145K**

General Fund Base Budget Adjustments

► Removed Capital Projects Division Studies

Study	Amount
South King St Bypass Ramp Access Improvements	\$130,000
Dry Mill Road – Lee Avenue to Corporate Limits	\$75,000
Lawson Road Pedestrian Crossing Connection to W&OD Trail and Streetlights	\$50,000
1 st , 2 nd , and Wirt Street SW	\$150,000
Liberty Street SW Drainage (moved from FY 2024)	\$75,000
TOTAL STUDIES REMOVED	\$480,000

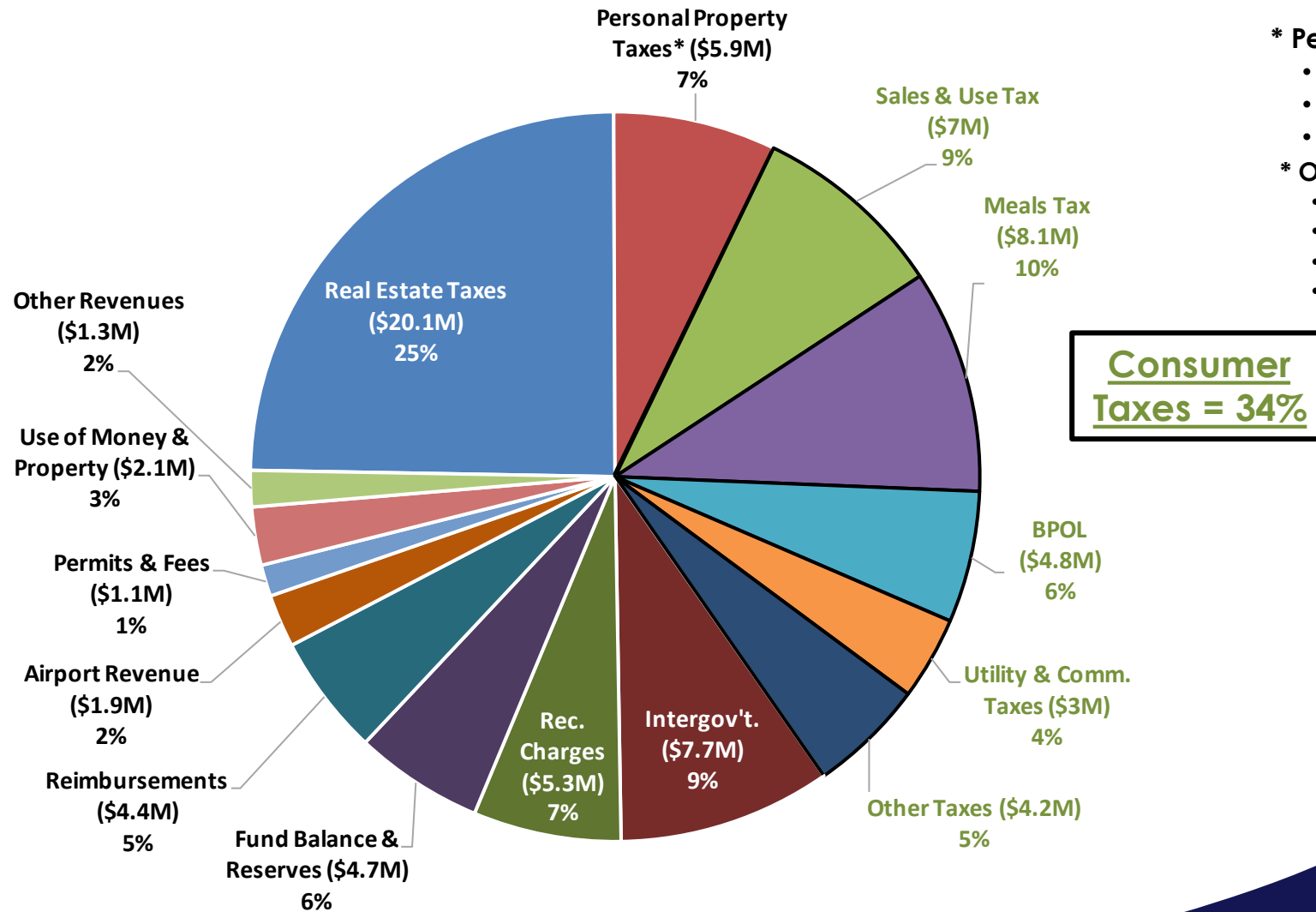
Unfunded FY 2025 Enhancements

Department	Unfunded Enhancement	Amount
Community Development	Expedited Review Pilot Program	200,000
Economic Development	George Mason University/Small Business Development Center Business Cohort Program	9,600
Finance	Business System Integrator & Grants Administrator	247,098
Human Resources	Neogov Text Messaging, Increase 457 Match, GPS Tracking Devices for Fleet	65,900
Information Technology	Digital Town Hall Interface	200,000
Information Technology	Help Desk Support, GIS Analyst, and Business Systems Integrator	375,300
Parks & Recreation	Parks Manager	111,000
Parks & Recreation	Irrigation for East Parcel of Mervin Jackson, Comprehensive Parks Master Plan	220,000
Police	Training Coordinator, Deputy Director, HR Generalist, Sergeant, Captain, Police Logistics Technician, Background Investigator, General Assignment Investigator	1,456,450
Public Works & Capital Projects	GIS Analyst, Stormwater Position, Three Person Crew for Streets	938,800
Public Works & Capital Projects	Milling & Paving, Remote Control Mower for Slopes, Pavement Condition Update, Vehicles, Facilities Management Team Training, Street Sweeper, Electric Vehicle Chargers, Fleet Technician Tools	2,456,650
Boards & Commissions	COPA Events and Calendar, Diversity Commission Website Language Support Feature, Parks & Recreation Commission – Park Day, Planning Commission – Stipend Increase	22,861
TOTAL UNFUNDED ENHANCEMENT REQUESTS		\$6,303,659

UNFUNDED CARP

Department	Unfunded Enhancement	Funding Amount
Information Technology	Network Enhancements & Backup Internet Service Provider	\$75,000
Parks and Recreation	Diving Board and Stand at Indoor Pool	20,000
Parks and Recreation	Vehicles & Equipment	577,000
Parks and Recreation	Outdoor Pool: Pool Ramp Replacement, Drop Slide, Floatable Play Structure, Picnic Tables	112,500
Parks and Recreation	Disinfection System for Pool Water System for Main Pool	35,000
Police	Body-Worn Cameras and In-Car Camera Integrated System (partially funded)	150,000
Police	Police Vehicles	150,000
Police	Camera Trailer System, Variable Message Board/Speed Camera Trailers	58,500
Police	Alco-Sensor Device Replacement and Pepper Ball System Replacement	16,000
Public Works & Capital Projects	Ida Lee Recreation Center Parking Lot Repaving	200,000
Public Works & Capital Projects	Carpet Replacement at Thomas Balch Library	45,000
Public Works & Capital Projects	Vacuum Truck Replacement	550,000
TOTAL UNFUNDED CARP REQUESTS		\$1,989,000

General Fund Revenue Diversity



*** Personal Property Taxes:**

- Property Taxes
- Vehicle License
- State Reimbursement

*** Other Taxes:**

- Hotel Tax
- Bank Franchise Tax
- Cigarette
- Right-of-Way

Consumer Taxes = 34%

Proposed Real Estate Tax Rate

- ▶ **Maintain current 17.74¢** per \$100 of assessed value
- ▶ **Each penny is valued at \$1.1M for FY 2024**
- ▶ Equalized rate is 16.95¢
- ▶ If equalized rate is used, budget must be reduced by approximately **\$908K**

Real Estate Tax

- ▶ Residential **↑ 5.04%**
- ▶ Commercial **↑ 7.1%**
- ▶ **Overall ↑ 5.5%**
- ▶ Estimated Tax Relief for 2024 = **\$378K**
- ▶ Year-Over-Year Increase in Revenue from Real Estate = **\$632K**

Average Residential Tax Bill Change 2023 to 2024*

Housing Type	Tax Year 2023		Tax Year 2024		Variance	
	Average Assessment	Average Tax Bill	Average Assessment	Average Tax Bill	Annual	Monthly
Single Family Detached	\$739,066	\$1,311	\$766,582	\$1,360	\$49	\$4.08
Townhome	\$493,068	\$875	\$518,283	\$919	\$44	\$3.67
Condo	\$297,354	\$528	\$313,818	\$557	\$29	\$2.42
All Residential (<u>same units</u> as last year)	\$563,925	\$1,000	\$587,136	\$1,042	\$42	\$3.50

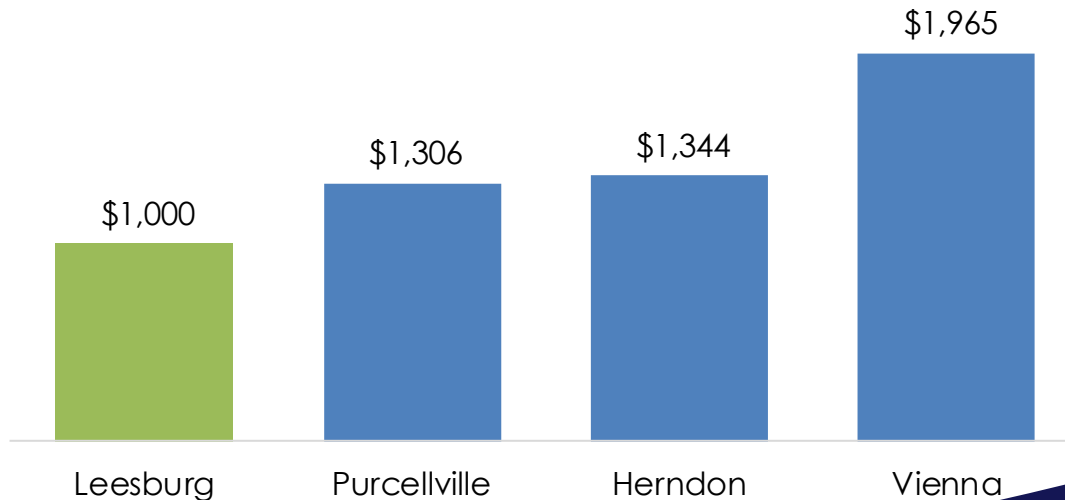
*at proposed 17.74¢ tax rate

Tax Rate and Bill Comparisons

	2023 Town Tax Rate (Current)	2024 Town Tax Rate (Proposed)
Leesburg	17.74¢	17.74¢
Purcellville*	23.50¢	TBD
Vienna	19.50¢	TBD
Herndon	26.00¢	TBD

**Purcellville's tax rate includes 3¢ Firemen's Field Special Assessment District*

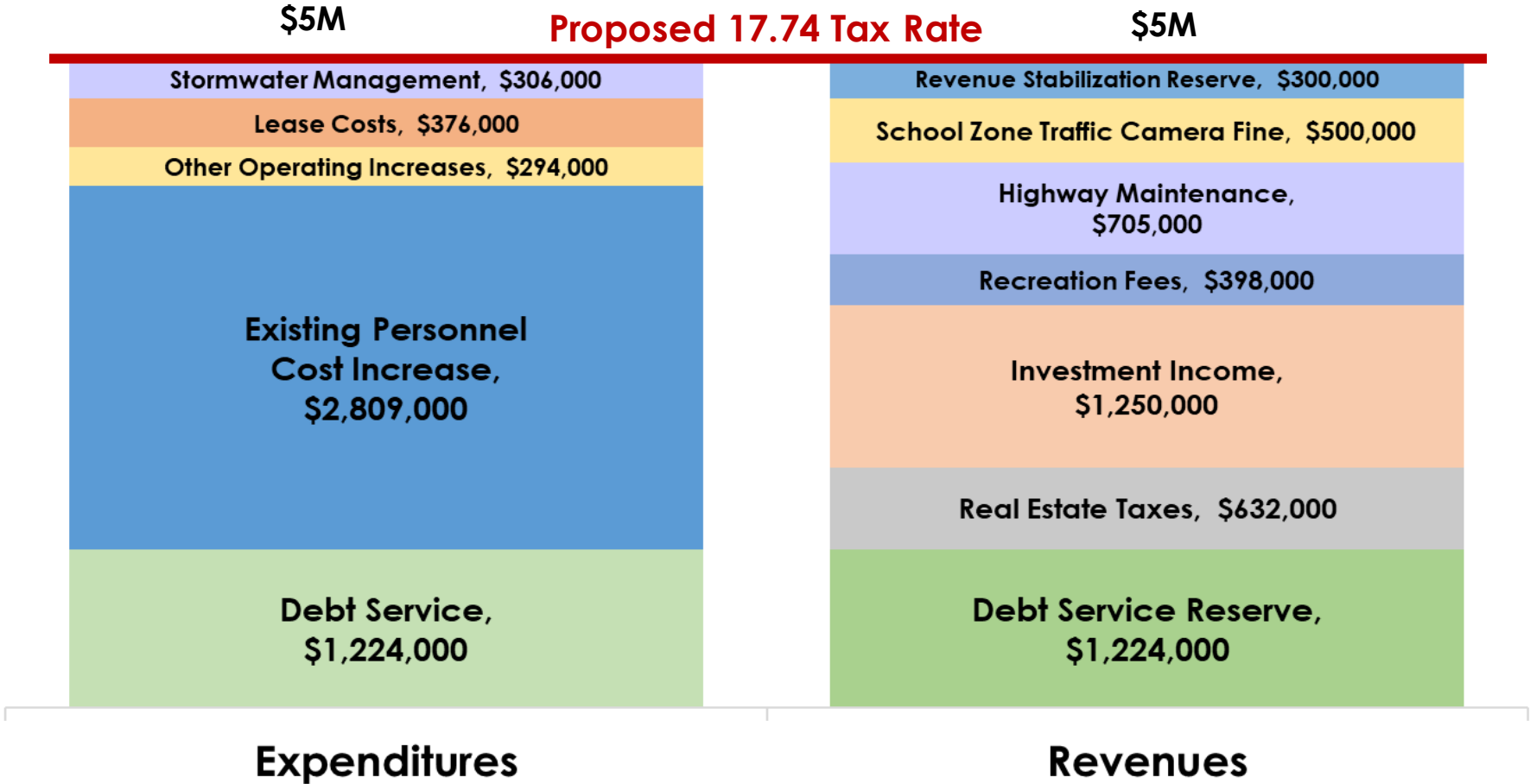
Historically Competitive: Average Residential 2023 Town Tax Bill



Fiscal Year 2025 General Fund Key Revenue Estimates

Revenue Line	FY 2023 Actuals	FY 2024 Projected	FY 2024 Budget	FY 2025 Proposed	Increase / (Decrease)
Real Estate Tax	\$18,008,702	\$19,200,000	\$19,377,759	\$20,009,348	\$631,589
Meals & Beverages	7,378,289	7,875,000	7,855,881	7,920,000	64,119
Sales & Use	7,382,899	7,000,000	7,849,107	7,000,000	(849,107)
Business Licenses (BPOL)	4,752,232	4,750,000	4,492,551	4,750,000	257,449
Personal Property Tax	3,781,274	3,900,000	3,889,460	3,964,000	74,540
Investment Income	1,706,697	2,000,000	450,000	1,700,000	1,250,000
Transient Occupancy	878,773	925,000	827,864	900,000	72,136
Total Key Revenues	\$43,888,866	\$45,650,000	\$44,742,622	\$46,243,348	\$1,500,726

Balancing FY 2025 Budget



Notes

- There are many offsetting increases and decreases for both expenditures and revenues.
- Growth backs out prior year use of one-time expenses with use of unassigned fund balance



Proposed FY 2025-2030 Capital Improvements Program (CIP)

- ▶ Total for all six years is **\$308,568,036** for **75 projects**
 - ◆ Includes 11 new projects
 - 9 General Government and 2 Utilities
- ▶ Fiscal Year 2025 funding totals **\$45,108,606** for **41 projects**
- ▶ Utilities Fund projects account for **32%** of Fiscal Year 2025 funding

11 New Projects in the CIP

▶ **Parks & Recreation (\$185K)**

- ◆ Ida Lee Park Recreation Center Volleyball Court

▶ **Streets (\$8.7M)**

- ◆ Traffic Signal Replacements
- ◆ Traffic Signal Replacements – Yellow Flashing Arrows

▶ **Storm Drainage (\$17.9M)**

- ◆ Chesapeake Bay TMDL Phase III*
- ◆ Floodplain Study and Resiliency Planning
- ◆ Tuscarora Creek Stream Restoration at Crescent Parke
- ◆ Tuscarora Creek Stream Restoration (Utilities Maintenance Building to Town Shop)

▶ **Airport (\$2.5M)**

- ◆ Airport Hangar Row Lane Security Fence Replacement
- ◆ Airport Terminal Parking Lot Expansion

▶ **Utilities (\$21M)**

- ◆ Townwide Lead and Copper Rule Compliance*
- ◆ WPCF Nutrient & Liquid Processing Improvements



Other Key CIP Projects

▶ **General Government**

- ◆ Police Station Expansion (\$26.6M Total)
- ◆ Town Shop Expansion and Refurbishment (\$16.2M Total)

▶ **Parks and Recreation**

- ◆ Playground Surface and Equipment Replacements (\$1.3M Total)

▶ **Streets and Highways**

- ◆ Evergreen Mill Rd Widening (\$32M Total)
- ◆ Morven Park Rd Sidewalk (\$6.3M Total)

▶ **Storm Drainage**

- ◆ Lawson Rd Pedestrian Crossing of Tuscarora Creek (\$2.6M Total)
- ◆ Misc. Storm Drainage System Analysis & Repair (\$6.8M Total)
- ◆ Town Branch Stream Channel Improve (Mosby Dr) (\$7.4M Total)

▶ **Airport**

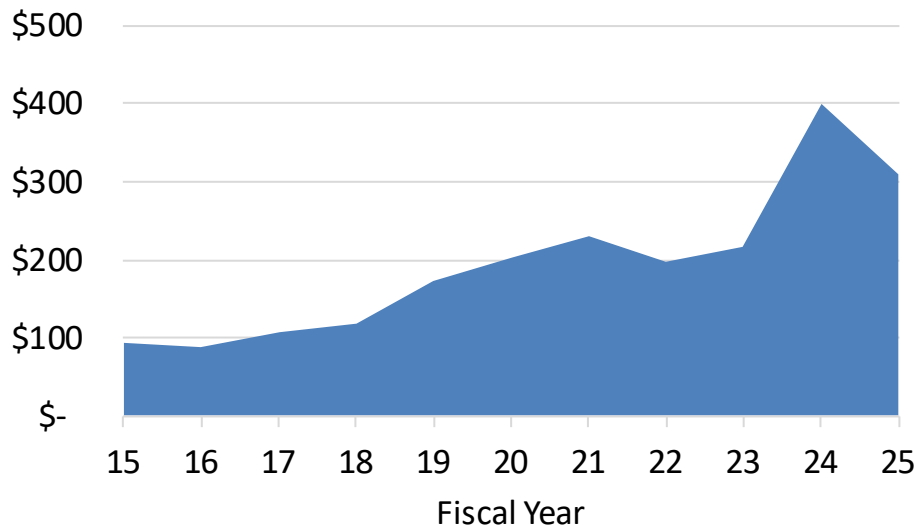
- ◆ Air Traffic Control Tower (\$20.2M Total)

▶ **Utilities**

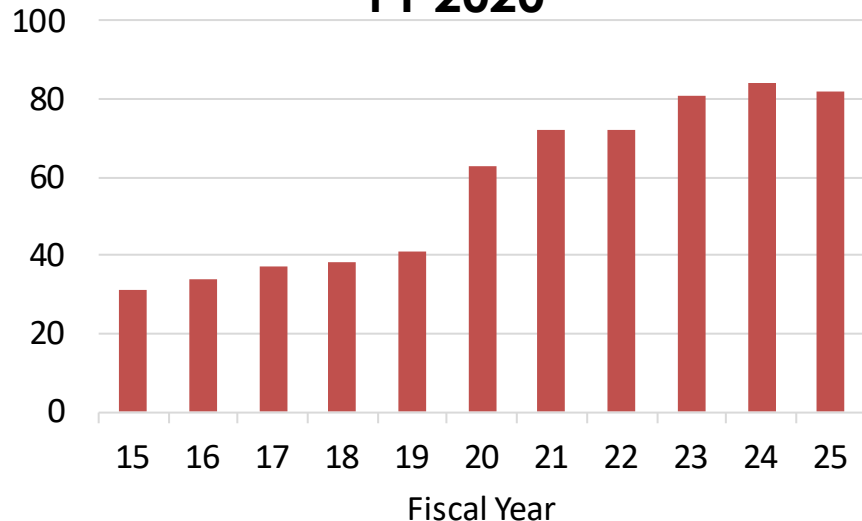
- ◆ Townwide Water Line Improvements and Repairs (\$6M Total)
- ◆ Water Pollution Control Facility Solids Processing Improvements (\$30M Total)

CIP Trends – Last 10 Years

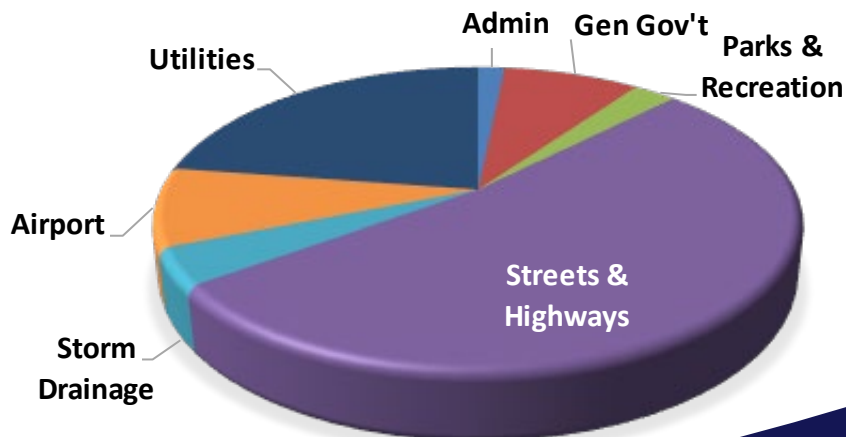
Significant steady increase in 6-Year budget



Number of projects steady until FY 2020



Streets & Highways 53% of Total Funding



Proposed Key Enhancement Capital Projects Fund **Construction Manager (Senior Engineer)**

- ▶ Goal:
 - ◆ Address workload demands and growing complexity of Capital Improvements Program (CIP)
- ▶ **Capital Projects Construction Manager**
 - ◆ Funded by CIP Sources
 - ◆ Salary (\$160,000)
 - ◆ Benefits (\$51,500)
 - ◆ Vehicle and Equipment (\$58,700)

Utilities Fund Overview

- ▶ Proposed Fiscal Year 2025 Budget: **\$45.7M**
 - ◆ Operations: **\$31.2M**
 - ◆ Capital Asset Replacement (3R): **\$4.9M**
 - ◆ Capital Projects: **\$9.6M**



Utilities Fund Overview

- ▶ Implementation of **5-Year Rate Plan**
 - ◆ First of five years of rate plan adopted on January 9, 2024
 - ◆ 4.1% rate increase
 - ◆ One enhancement staff position
 - Utility Water Treatment Plant Operator

Utilities Fund Overview

- ▶ FY 2025 Funding of Major Capital Projects
 - ◆ Water Pollution Control Facility Solids Processing Improvements **\$4.7M**
 - ◆ Water Pollution Control Facility Storage Tanks – Recoating & Rehabilitation **\$1.9M**
 - ◆ Water Treatment Plant Electrical Upgrades **\$3M**

Budget Summary

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Community Outreach & Feedback

- ▶ Proposed budget document will be available as a PDF on the Town website this evening at: www.leesburgva.gov/budget
- ▶ “Ask A Budget Question” form is active on the Town website

Proposed Budget Schedule

- | | |
|-------------------------|---|
| Tuesday, Feb. 13 | <ul style="list-style-type: none">• Town Manager FY 2025 Budget Presentation• Adoption of FY 2025 Budget Schedule |
| Monday, Feb. 26 | <ul style="list-style-type: none">• Budget Work Session (1 of 3): Key Enhancements and Capital Projects |
| Tuesday, Feb. 27 | <ul style="list-style-type: none">• 2023 Personal Property Tax Rates Public Hearing/Adoption |
| Monday, Mar. 11 | Budget Work Session (2 of 3): Boards & Commissions, Q&A for General Fund and Utilities, and Initial Mark-up |
| Tuesday, Mar. 12 | Public Hearing - Fiscal Year 2025 Budget |
| Monday, Mar. 25 | Budget Work Session (3 of 3): Final Mark-up Session |
| Tuesday, Mar. 26 | <ul style="list-style-type: none">• Public Hearing/Adoption- Setting Tax Year 2024 Real Estate Tax Rates and Other Proposed Fee Changes• Adoption of Fiscal Year 2025 Budget |

End of Presentation