

## **Fiscal Year 2025 Budget Questions - Packet #1**

### **Mayor Burk - February 13, 2024**

- 1.) Why isn't the "Disinfection System for Pool Water System for Main Pool" at the Ida Lee Recreation Center for \$35,000 being funded in the Capital Asset Replacement Program (CARP)?**

**RESPONSE:** Each year Capital Asset Replacement Program (CARP) items are requested by departments and prioritized along with other requests. Each request is then prioritized by our subject matter experts in facilities, fleet, and IT. In addition, our accounting team identifies the remaining useful life and value after depreciation. While the disinfection system has reached the end of its estimated useful life, it remains operational and could continue to run for several years. If the system should fail before it is scheduled for replacement, staff would work to identify funding for an emergency replacement.

In Fiscal Year (FY) 2025, \$5,489,000 worth of items were requested. CARP has an annual budget of \$3.5 million in FY 2025 meaning \$1,989,000 worth of requests were not funded.

### **Councilmember Wilt - February 13, 2024**

- 2.) Why is the average 4% pay-for-performance merit less expensive than the 3% cost-of-living adjustment?**

**RESPONSE:** The proposed cost-of-living adjustment (COLA) is effective the first pay period of the fiscal year in July; the Town's annual cost is for the full fiscal year. In contrast, the pay-for-performance merit is based on evaluation date, which is generally the anniversary date of when the employee started employment with the Town. Some evaluation dates are toward the end of the fiscal year, where the annual fiscal year cost to the Town is less than if it had been earlier in the fiscal year. About half of the regular full-time workforce has an anniversary date after January 1<sup>st</sup> (midway through the fiscal year).

### **Vice Mayor Steinberg - February 13, 2024**

- 3.) Is the \$120,000 requested budget amendment to the State's budget for the Mobile Air Traffic Control Tower lease reflected in the Town's Proposed budget?**

**RESPONSE:** The State's budget has not yet been approved; therefore, the proposed budget does not reflect the \$120,000 requested budget amendment to the States' budget. If the State approves the funding, then the Town either saves the equivalent amount or could utilize current funds in the Town's budget for other projects.

**Councilmember Cummings - February 15, 2024**

- 4.) How many automobiles are housed in Leesburg according to the County Assessor for personal property taxes?

**RESPONSE:** There were 36,443 total vehicles in 2023, of which 34,651 were for personal use and 1,792 were for business use.

Vehicle Type	2021	2022	2023
Personal Use Vehicles	34,519	34,762	34,651
Business Use Vehicles	1,686	1,768	1,792
<b>Total Count</b>	<b>36,205</b>	<b>36,530</b>	<b>36,443</b>

**Mayor Burk - February 15, 2024**

- 5.) With both an increase in merit pay and cost-of-living does that equate to a 7% and if so is that the going rate for raises in the market?

**RESPONSE:** The Fiscal Year 2025 budget includes an average 4% pay-for-performance merit and also a 3% cost-of-living adjustment equating to 7%. This is in line with the market as the Town's main competition for employees is Loudoun County Government, which is proposing a 7% merit for the general workforce and an average pay increase of 12.4% for uniformed Fire and Rescue personnel and Sheriff's deputies.

- 6.) What is the implication of what the Environmental Advisory Commission (EAC) is recommending we do in regard to recycling?

**RESPONSE:** Adding four months of additional yard waste collection would cost the Town up to \$100,000 annually. By removing glass from the recycling stream, the Town could potentially save up to \$39,000 annually, however, it is likely that residents would continue to add glass to the recycling stream, which would mean savings would likely be lower than anticipated. Even if the Town established a glass recycling drop off site for voluntary compliance, the Town is likely to have to pay all costs associated with the operation while customer participation and behavior is unlikely to change significantly. Regardless, any potential savings of removing glass from recycling would not cover the cost of adding an additional four months of yard waste collection.

- 7.) What would be the costs associated with purchasing a litter vacuum truck to pick up litter around town?

**RESPONSE:** The cost of a litter vacuum vehicle ranges from \$30,000 to \$100,000. A small trailer mounted unit that would be towed to the site by a pick-up truck would cost an estimated \$30,000 but has limited maneuverability and coverage area since it is towed. At \$100,000, the Town could purchase an all-terrain type vehicle that is ride-on, and able to go off-road. However, this equipment would not be as fast for collections and would need to be trailered to each site; it would not be useful for litter

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in right-of-way areas. Staff believes the purchase of a utility terrain vehicle at a cost of \$36,000 would be more effective than either of these solutions though because the crews can drive and pick-up litter with pickers faster than the actual litter vacuums.

**Councilmember Cummings - February 19, 2024**

- 8.) **Some departments and divisions within departments show an increase in personnel services for FY 2025. For example, the Town Manager's department shows an increase of \$475,000 for personnel services and Finance & Admin Services has a \$446,116 increase in personnel services. What is this increase in personnel services attributable to?**

**RESPONSE:** Each year, the personnel budgets are adjusted to reflect the cost of current individuals in each position, their rate of pay, and their selected benefits. After establishing the base, the compensation increases for the upcoming year are incorporated. For Fiscal Year (FY) 2025, these compensation increases include a 3% cost-of-living adjustment (COLA) effective the first pay period in July, a 4% average pay-for-performance on each employee's evaluation date, and the increasing cost of benefits (retirement, Social Security, Medicare taxes, and insurances) that accompany these pay increases.

In the Town Manager's Office, the increase in personnel costs is also attributable to the transfer of a position from Parks and Recreation to the Town Manager's Office for an Assistant Town Manager position, a transfer from Parks and Recreation of a flexible part-time staff to support the Assistant Town Manager, and the reclassification of an Executive Associate position to a Management Analyst position. The increase in the Finance Division of the Department of Finance and Administrative Services can be attributed to these same factors as well as the conversion of an over-hire Accounting Associate position to a Management and Budget Analyst position during FY 2024 to focus on providing budget and grant management support to departments, primarily the Police Department and the Utilities Department.

- 9.) **The Police budget includes \$500,000 in revenue from photo cameras. Are we spending this revenue already? If we decide to not put speed cameras up, will we need to cut \$500k?**

**RESPONSE:** The estimated \$500,000 in revenue from the proposed speed camera program is programmed in the Fiscal Year (FY) 2025 budget. The budget also includes \$88,500 in expenditures related to the program, for a net positive impact of \$411,500. If Town Council should choose not to move forward with the program, there would need to be \$411,500 in expenditure reductions or additional revenues of \$411,500 or a combination of the two.

- 10.) **We're looking to award up to 5% merit raises. Can I get a report of the merit raises given out by department with highest %, lowest %, and average % given out?**

**RESPONSE:** The weighted average merit increase for the 204 employees to date in Fiscal Year 2024 is 4.23%. This does not take into account employees starting in Fiscal Year 2024 that will not receive a merit this fiscal year, even though the previous employee in that position was budgeted for a 4% merit increase. Although employees may earn up to a 5% merit increase, the Town only budgets 4% to reflect the reality of the weighted average and new employees not receiving a merit (turnover). To

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protect confidentiality and employee privacy, the Town Manager can discuss further with Council members who desire more information.

**11.) What is the anticipated unassigned fund balance on July 1, 2024? How much is anticipated to be above the amount we must keep in the fund?**

**RESPONSE:** The Town's Fiscal Year (FY) 2023 ending Unassigned Fund Balance as of June 30, 2023 in the General Fund was \$28,342,103. This represents 42.75% of General Fund expenditures. Of the \$28.3 million, an amount equivalent to 20% of General Fund expenditures (\$66.3 million) must be maintained per Council's adopted fiscal policy which equates to \$13.3 million. This leaves \$15.1 million available for other uses, of which \$1.8 million was used to fund one-time expenditures in the FY 2024 adopted budget and another \$3.1 million of supplemental appropriations have been approved by Town Council through January 2024, leaving a balance of \$10.2 million above the 20% fiscal policy or \$23.4 million total Unassigned Fund Balance. If the Town expends all the revised FY 2024 budget of \$81.6 million then the 20% fiscal policy would require \$16.3 million of Unassigned Fund Balance, leaving approximately \$7.1 million above the 20% fiscal policy as of July 1, 2024. It is important to note that this is a very preliminary estimate, and many factors can affect the projection including future supplemental appropriations, unforeseen emergency expenditures, contractor delays, fluctuations in year-end revenues, etc.

**12.) In the Town Attorney's budget, we're only budgeting \$50,000 for outside counsel. Are we confident with the Joint Land Management Activity (JLMA) activity still happening that we will only need \$50,000 in FY 2025?**

**RESPONSE:** The current \$50,000 for outside counsel does not currently include Joint Land Management (JLMA) activity. It was unknown at the time of the proposed budget development whether a consensual settlement or adverse annexation process would occur, which would have varying costs. Since the JLMA legal fees are one-time in nature, use of unassigned fund balance rather than local tax funding is appropriate as a funding source. Once the Town Attorney meets with outside counsel to discuss future costs, a supplemental appropriation request will be presented to Town Council for current Fiscal Year (FY) 2024 which can be carried forward to FY 2025.

**13.) There was a surplus of \$6 million at the end of the fiscal year on June 30, 2023. What happened to these funds.**

**RESPONSE:** The \$6 million was the addition to the Unassigned Fund Balance in the General Fund. In the Fiscal Year 2024 adopted budget, \$1.8 million of Unassigned Fund Balance was used to fund one-time expenditures and another \$3.1 million of supplemental appropriations have been approved by Town Council through January 2024.