

**Town Manager's  
Proposed  
Fiscal Year 2026  
Budget  
&  
FY 2026 -2030  
Capital  
Improvement Plan**

January 23, 2025

Town Manager  
Jason Cournoyer

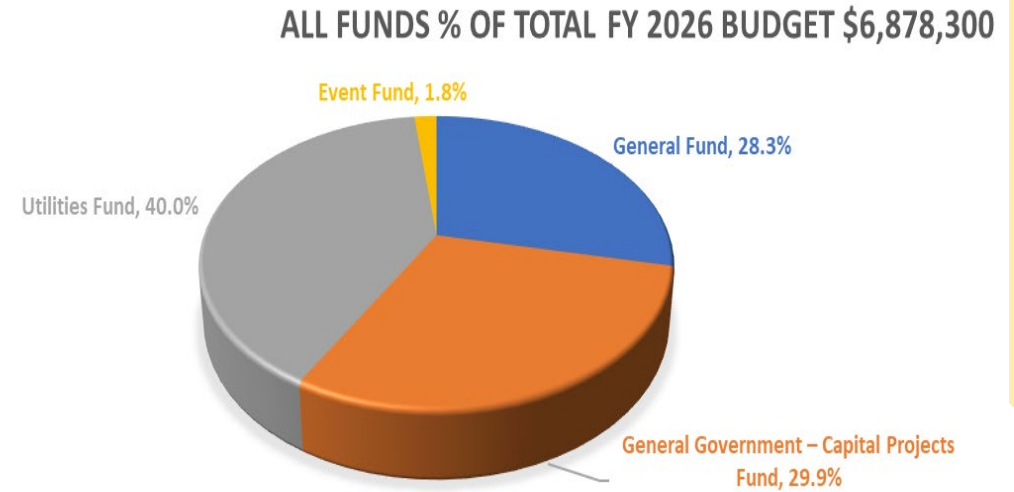


**TOWN  
OF**  
*Lovettsville*  
**VIRGINIA**

# Budget Overview: Proposed FY 2026 Budget

- The Fiscal Year 2026 Proposed Budget for all funds totals **\$6,878,300**.
- This represents an overall increase of **\$635,253 or 10.2 percent**.

The table below illustrates the FY 2025 v. FY 2026 Proposed Budget by Fund.



Fund	FY 2025 Adopted	FY 2026 Proposed	FY 2025 v FY 2026	
			\$ Change	% Change
General Fund	\$1,954,067	\$1,949,550	-\$4,517	-0.2%
General Government – Capital Projects Fund	\$1,398,430	\$2,055,000	\$656,570	47.0%
Utilities Fund	\$2,777,000	\$2,749,250	-\$27,750	-1.0%
Event Fund	\$113,550	\$124,500	\$10,950	9.6%
<b>Total Expenditures</b>	<b>\$6,243,047</b>	<b>\$6,878,300</b>	<b>\$635,253</b>	<b>10.2%</b>

# Overall Budget Themes/ Focus Areas

- **PERSONNEL**

- Proposed 2.5% Cost-of-Living-Adjustment and 3.5% Merit
- Adjustments to Benefits - Retirement and Healthcare

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

- Semi-Annual Street Sweeping (approx. \$4,500)

- **FUND OPERATING WITH EQUALIZED RATES**

- General Fund Operating fully funded at Equalized RE rate (13.6¢)
- Water/Sewer Rates keep pace with operating expense increases at 3%
- Events Fund predicated on outsourcing of the execution of 2025 Oktoberfest

- **MAINTAIN CURRENT SERVICE LEVELS**

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

Fiscal Year  
2026

General  
Fund



TOWN  
OF  
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VIRGINIA

January 23, 2025

# General Fund Budget Allocation by Category

The Proposed Fiscal Year 2025 Budget for the General Fund totals **\$1,949,550** or a decrease of **\$4,517** or **0.2%**.

The decrease in the proposed budget is primarily attributed to slight savings in several line items including a:

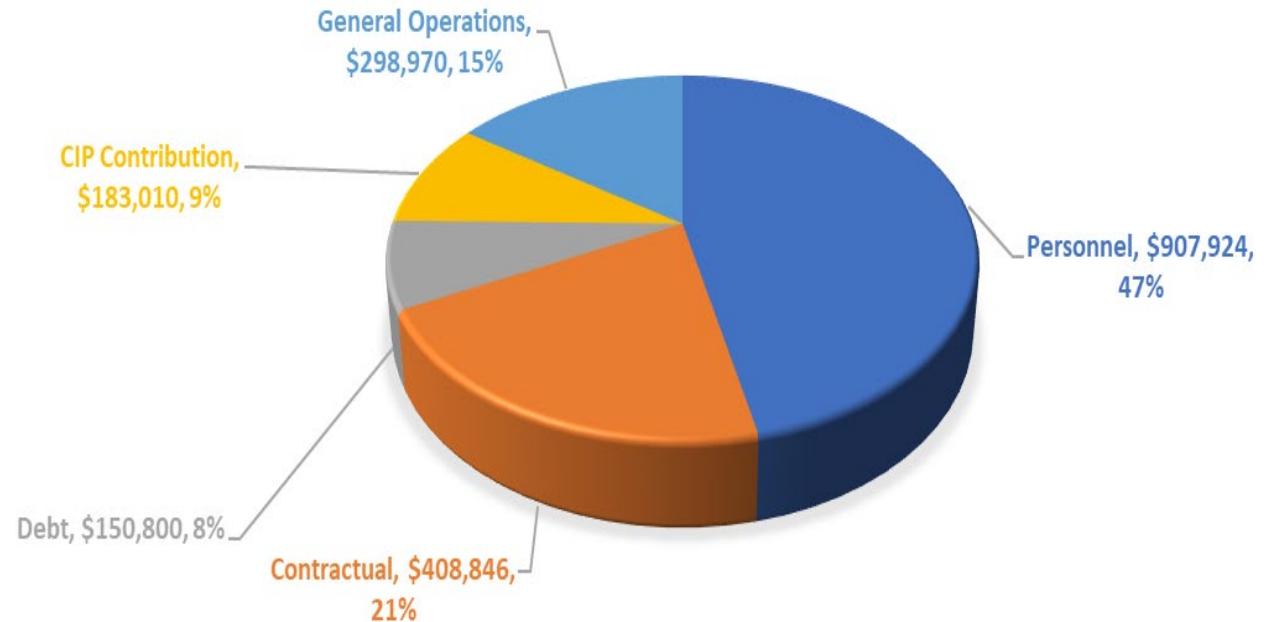
- \$15,000 reduction in anticipated consulting services for assistance in applying for grants,
- elimination of payroll software due to the replacement financial system's capabilities,
- the new Town's website's functionality allows for a decrease in the use of AV Capture for publishing video recordings, and
- elimination of one-time costs included in the Fiscal Year 2025 Adopted Budget.

Offsetting increases in the General Fund budget include:

- Personnel (salary and benefit adjustments)
- Contractual Services Cost Increases (Recycling/ Refuse Collection, IT managed services, electricity)
- Street Sweeping
- CIP Contribution

January 23, 2025

## HOW GENERAL FUND REVENUE IS SPENT...



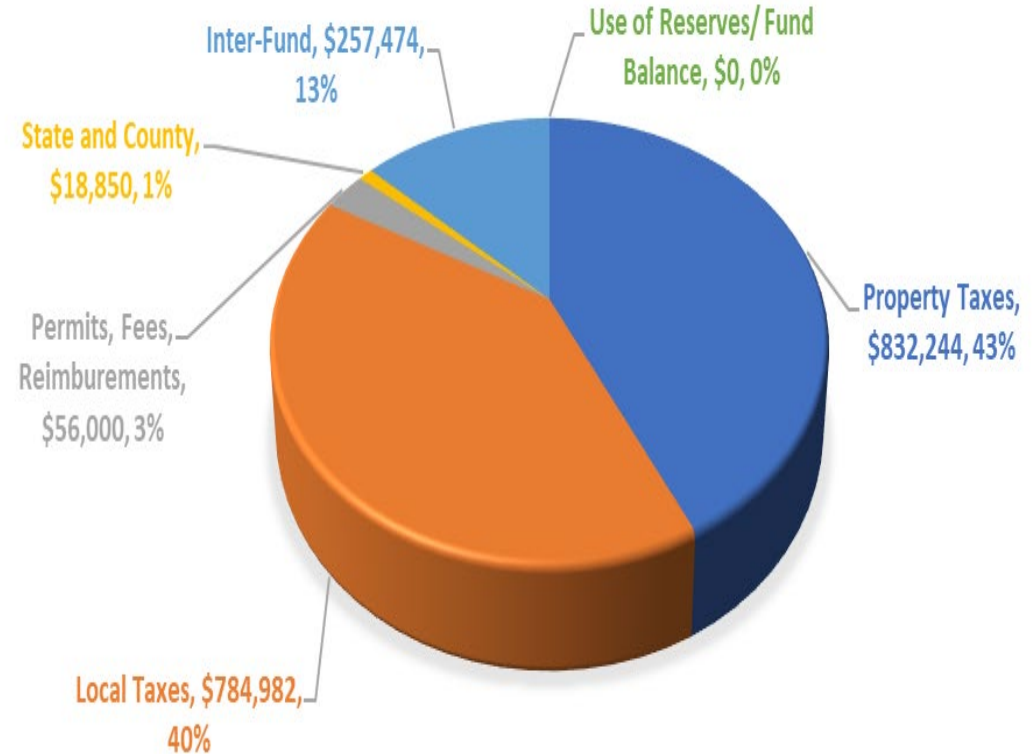
# General Fund Revenue Sources

**Increases** in the General Fund estimated revenues are attributed to:

- Real Estate Taxes (\$54,863)
- Consumer Taxes (\$39,303)
- Administrative Overhead (\$48,539)

The Fiscal Year 2026 Proposed Budget reflects a Vehicle License Fee rate of \$0, which results in a decrease in projected revenue of \$53,000. The Grant-in-Aid funding for 2025 will replace the foregone associated Vehicle License Fee revenue for Fiscal Year 2025. The Town Council must set the Vehicle License Fee rate for 2025 to \$0 by February 28, 2025 in order to be eligible for program funding.

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 2025 tax rate impacts the current fiscal year**, as tax year 2025 (calendar year) overlaps both Fiscal Year 2025 (June 2025 payment) and Fiscal Year 2026 (December 2025 payment).



# Proposed Real Estate Tax Rate

- The projected value per **1¢ of Real Estate Tax Rate** is **\$54,800**.
- The Town's **976 residential units** make up **96.7%** of the 1,009 total taxable parcels in the Town.
- **Residential re-evaluation for 2025 increased 8.55% overall over 2024** for an average assessment of \$548,130, or an increase of \$45,534.
- The Proposed Fiscal Year 2026 General Fund budget is **based on a real estate tax rate of 14.6¢ for the proposed operating and debt costs**.
- The calculated residential equalized tax rate is 13.6¢ which comparatively is a decrease of \$54,800 in expected FY 2026 General Fund revenue compared to the proposed tax rate of \$14.6¢.



# PROPOSED VS. EQUALIZED Tax Rate

- The Proposed Budget includes \$54,800 in additional revenue based on a proposed 14.6¢ rate versus the Residential Equalized Rate of 13.6¢.
- ALL FISCAL YEAR 2026 GENERAL FUND OPERATING, DEBT, AND GENERAL GOVERNMENT CAPITAL IMPROVEMENT PLAN EXPENDITURES ARE FULLY FUNDED AT THE EQUALIZED TAX RATE.
- The additional penny on the tax rate is proposed to supplant the decrease in revenue of a projected \$53,000 as a result of the Vehicle License Fee set at a rate of \$0 beginning in 2025.

# Tax Bill Comparisons for Varying Tax Rates

	CURRENT TAX RATE 14.75¢		EQUALIZED RESIDENTIAL TAX RATE 13.60¢				PROPOSED TAX RATE 14.6¢			
	2024		2025		Variance		2025		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	\$564,251	\$832.27	\$611,322	\$831.40	(\$0.87)	(\$0.07)	\$611,322	\$892.53	\$60.26	\$5.02
Townhome	\$380,063	\$560.59	\$410,267	\$557.96	(\$2.63)	(\$0.22)	\$410,267	\$598.99	\$38.40	\$3.20
<b>All Residential</b>	<b>\$ 502,595</b>	<b>\$741.33</b>	<b>\$546,130</b>	<b>\$742.74</b>	<b>\$ 1.41</b>	<b>\$ 0.12</b>	<b>\$ 546,130</b>	<b>\$ 797.35</b>	<b>\$ 56.02</b>	<b>\$ 4.67</b>

The proposed tax rate, on average, results in an annual tax bill increase of \$56.02 or \$4.67 per month more compared to the 2024 tax bills. In comparison to the Equalized tax rate, the 2025 annual bill would be, on average, \$1.41 more or \$0.12 per month than 2024.

The offsetting savings derives from the decrease in the VLF from \$25/vehicle to \$0.

Fiscal Year  
2026-2030

Capital  
Improvement  
Plan - General  
Government

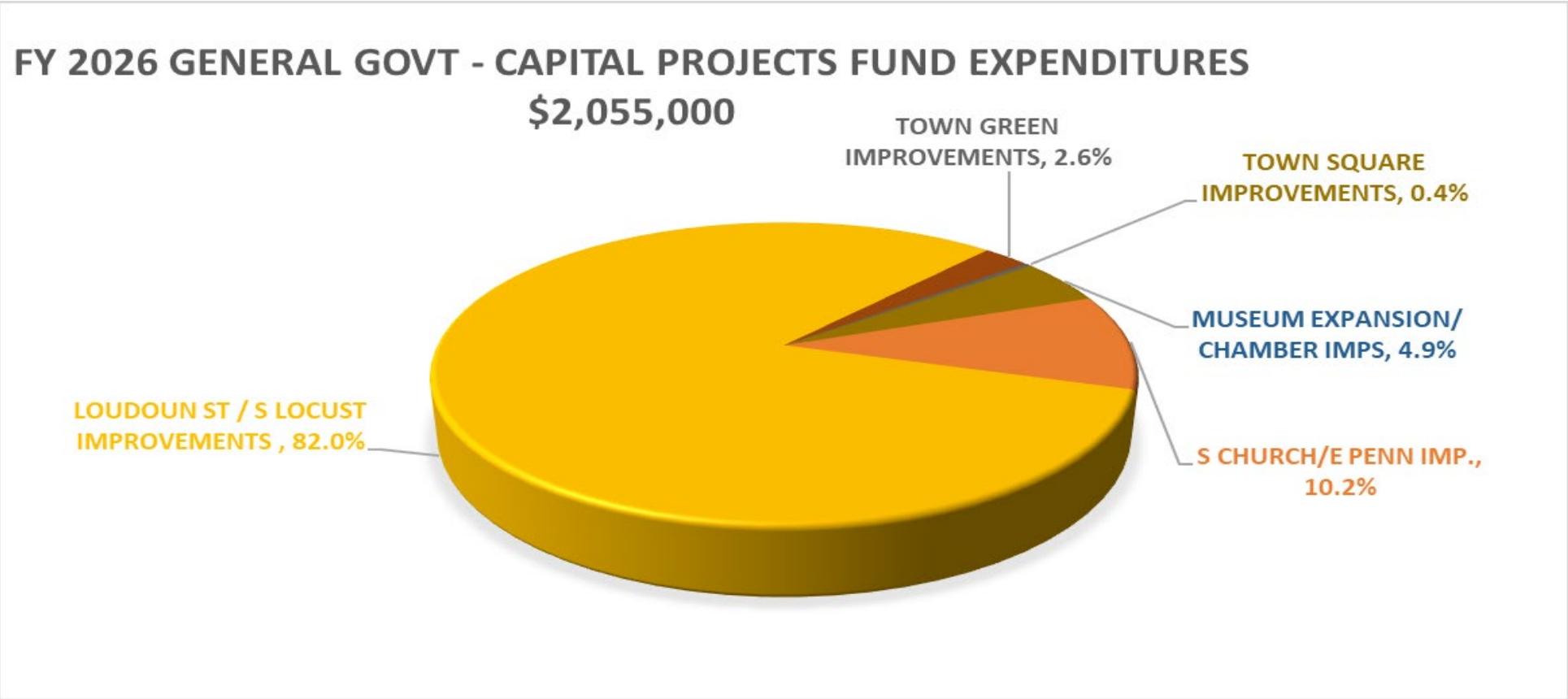


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January 23, 2025

# General Government: Capital Improvement Plan

- **FIVE General Government projects are underway in Fiscal Year 2025 and total \$2,055,000.**



# General Government: Capital Improvement Plan

- Fiscal Year 2025 includes \$160,000 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 \$1,895,000 or 92.2% of the programmed funding for FY 2026.

PROJECT FUNDING SOURCES:	FUNDING SOURCE	TOTAL FUNDING	PREVIOUS YEARS	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-YR CIP COST
PAY-GO/ CAPITAL ASSET REPLACEMENT RESERVE/ EVENTS FUND RESERVE	NC	1,119,530	857,530	160,000	-	102,000	-	-	262,000
LOANS	L	-	-	-	-	-	-	-	-
LOUDOUN COUNTY CIP AWARDED FUNDS	CTY1	5,537,170	4,039,970	1,117,000	193,000	-	41,000	-	1,351,000
LOUDOUN COUNTY CIP REQUESTED FUNDS	CTY2	1,667,000	-	-	-	40,000	158,000	-	198,000
VDOT GRANT AWARDED	VDOT1	13,298,905	7,823,205	778,000	1,169,500	3,528,200	-	-	5,475,700
VDOT GRANT REQUESTED	VDOT2	3,946,220	-	-	-	-	164,000	-	164,000
AMERICAN RESCUE PLAN ACT OF 2021	ARPA	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>		<b>\$ 25,568,825</b>	<b>\$ 12,720,705</b>	<b>\$ 2,055,000</b>	<b>\$ 1,362,500</b>	<b>\$ 3,670,200</b>	<b>\$ 363,000</b>	<b>\$ -</b>	<b>\$ 7,450,700</b>

Fiscal Year  
2026

Utilities  
Fund



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January 23, 2025

# Utilities Fund Budget Allocation by Category

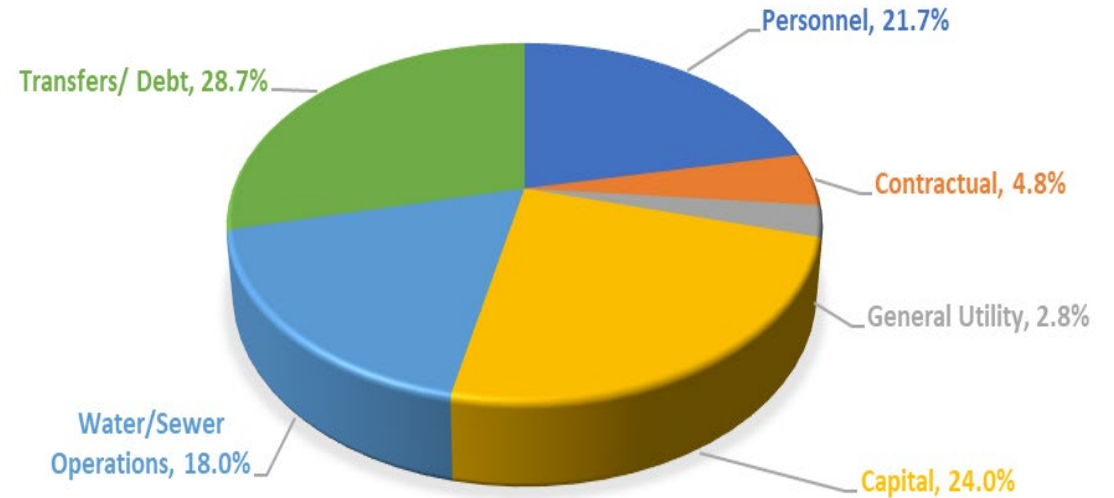
The Proposed Fiscal Year 2026 Budget for the Utilities Fund totals **\$2,749,250** or a decrease of **\$27,750 or 1.0%**.

- Decrease is attributable primarily to the absence of ARPA funding for Utilities Fund capital costs.

Offsetting increases in the Utilities Fund include:

- personnel costs due to staff salaries, benefit election of employees and proposed cost-of-living-adjustment and merit salary increases;
- an increase is anticipated Waste Water Treatment Plant repairs;
- an increase in the contribution to the Availability Fees Reserve; and
- an increase of 23.2 percent in the administrative costs provided by the General Fund staff

FY 2026 UTILITIES FUND EXPENDITURES \$2,749,250





# Utilities Fund Revenue Sources

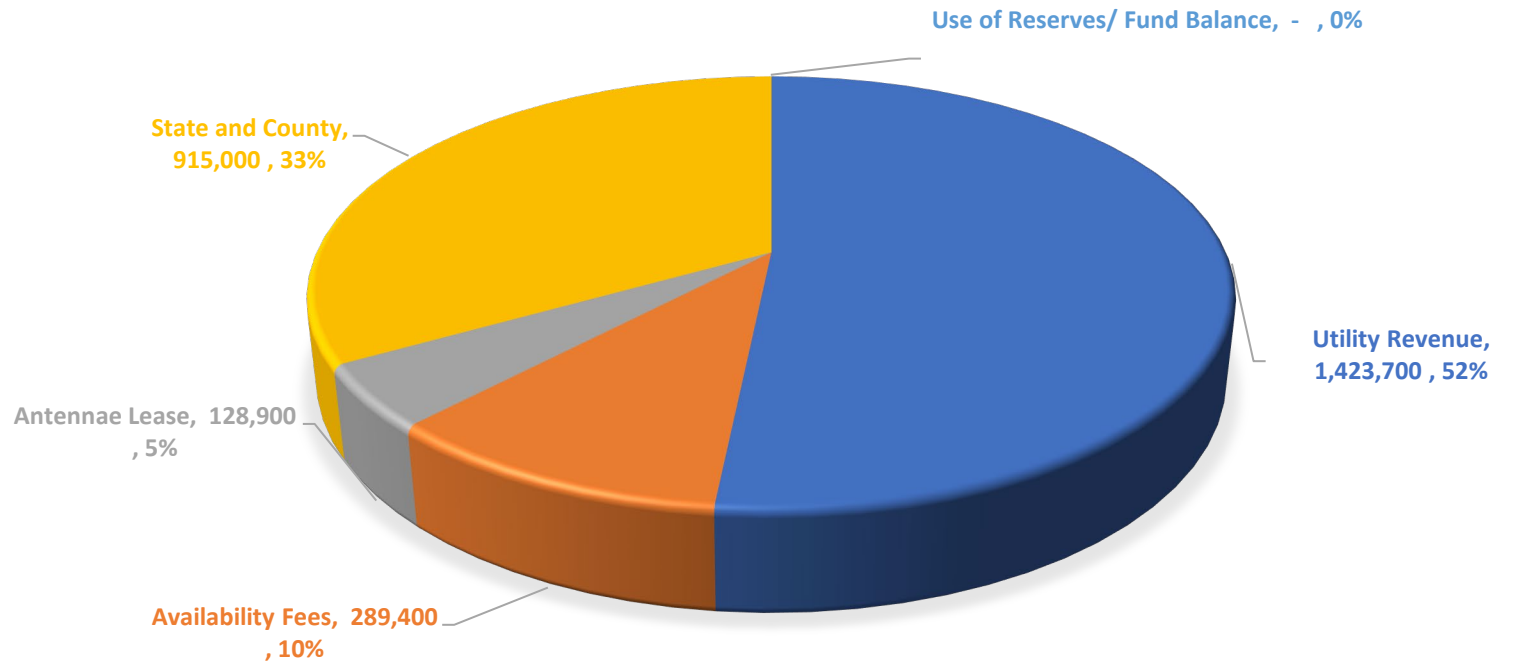
**Increases** in the Utilities Fund estimated revenues are attributed to:

- Investment Interest (\$16,546)
- Water/ Sewer User Rates (\$34,900)
- Cellular Antennae Lease (\$5,100)
- Availability and Connection Fees (\$244,450)

**Decreases** in revenue include:

- Use of 3R Reserve
- ARPA Funding
- Bulk Water Sales

WHERE UTILITIES FUND REVENUE COMES FROM...



# Water and Sewer User Rate Bill Comparison

## Average Monthly Residential Usage

The FY 2026 Proposed Budget includes a 3% rate increase for water and sewer user rates. The average monthly use is 4,000 gallons. The proposed rate increase would result in a monthly bill increase of \$3.13, or from \$104.44 to \$107.57.

Charges	FY 2025 Rates	Charges based on FY 2025 Rates	Proposed FY 2026 Rates	Charges based on FY 2026 Rates	Variance
Minimum rate	\$52.22	\$52.22	\$53.79	\$53.79	\$1.57
0-2,000 Gallons					
Water Charges 2,000 above Min.	\$10.09 per 1,000 gallons	\$20.18	\$10.39 per 1,000 gallons	\$20.78	\$0.60
Water Charges 2,000 above Min.	\$16.02 per 1,000 gallons	\$32.04	\$16.50 per 1,000 gallons	\$33.00	\$0.96
<b>Total Monthly Billed</b>		<b>\$104.44</b>		<b>\$107.57</b>	<b>\$3.13</b>

# Utilities Fund: Capital Improvement Plan

**6 projects** for the Utilities Fund will be underway in Fiscal Year 2026 totaling \$660,000 in funding comprised of \$220,000 in use of 3-R Reserve and \$440,000 in federal grant funding. .

PROJECT EXPENDITURES:		FUNDING SOURCE	TOTAL COST	PREVIOUS YEARS	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-YR CIP COST
TLOV-2019-03	QUARTER BRANCH ROAD WATERMAIN REPLACEMENT	FED1, ARPA	612,000	62,000	550,000	-	-	-	-	550,000
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	FED2, ARPA	1,600,000	100,000	-	1,500,000	-	-	-	1,500,000
TLOV-2022-02	UTILITIES FUND CAPITAL ASSETS REPLACEMENT	3R, ARPA	165,000	110,000	-	55,000	-	-	-	55,000
TLOV-2024-05	WATERMAIN REDUNDANCY IMPROVEMENTS	3R, ARPA	255,000	30,000	45,000	45,000	45,000	45,000	45,000	225,000
TLOV-2024-06	WATER PLANT UPGRADES AND IMPROVEMENTS	3R, ARPA	253,070	123,070	30,000	20,000	30,000	20,000	30,000	130,000
<b>TOTAL EXPENDITURES</b>			<b>\$ 3,175,070</b>	<b>\$ 600,070</b>	<b>\$ 660,000</b>	<b>\$ 1,655,000</b>	<b>\$ 90,000</b>	<b>\$ 80,000</b>	<b>\$ 90,000</b>	<b>\$ 2,575,000</b>

# 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** with minimum net impact to the residents and businesses.
- ▶ 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 attempt to keep pace with other local governments in the region (2.5% COLA and 3.5% Merit)... average in the region last year was closer to 7%.

# Community Outreach & Feedback

- ▶ Proposed budget document will be available as a PDF on the Town website tomorrow, January 24, 2025 at: [www.lovettsvilleva.gov](http://www.lovettsvilleva.gov)
- ▶ A hardcopy will be available at the Town Administrative Building and the Lovettsville Library.
- ▶ Budget Work Sessions on: Feb. 6, 20 & March 6, 2025.
- ▶ Budget Public Hearing on February 20, 2025
- ▶ Budget and Tax Rate Adoption/ Public Hearing on March 20, 2025