

**FISCAL YEAR
2026 BUDGET
&
FY 2026 -2030
CAPITAL
IMPROVEMENT
PLAN**

February 6, 2025

Town Manager
Jason Cournoyer

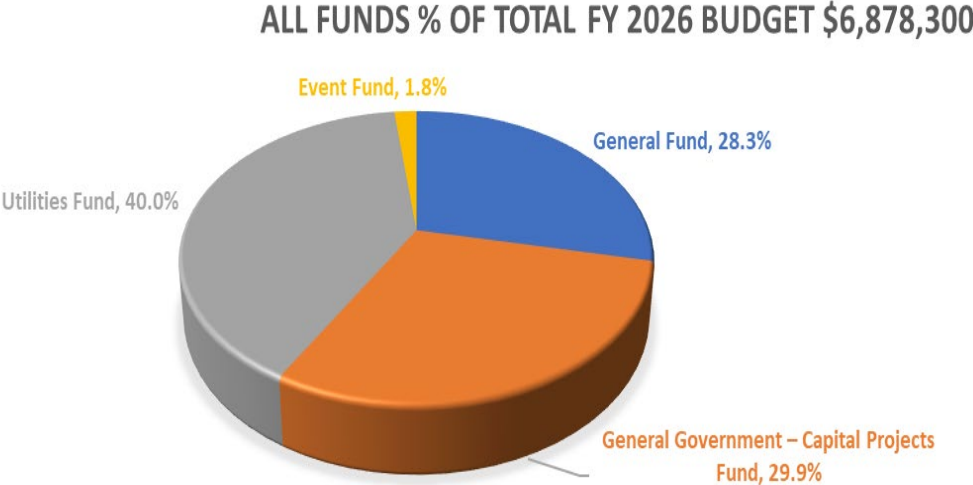


**TOWN
OF**
Lovettsville
VIRGINIA

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%
Total Expenditures	\$6,243,047	\$6,878,300	\$635,253	10.2%

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 (13.7¢)
- 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%: Nov 2023-2024)
- Efficient Water and Sewer Operations

Fiscal Year
2026

GENERAL
FUND
&
UTILITIES
FUND
REVENUE
OVERVIEW



TOWN
OF
Lovettsville
VIRGINIA

February 6, 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:

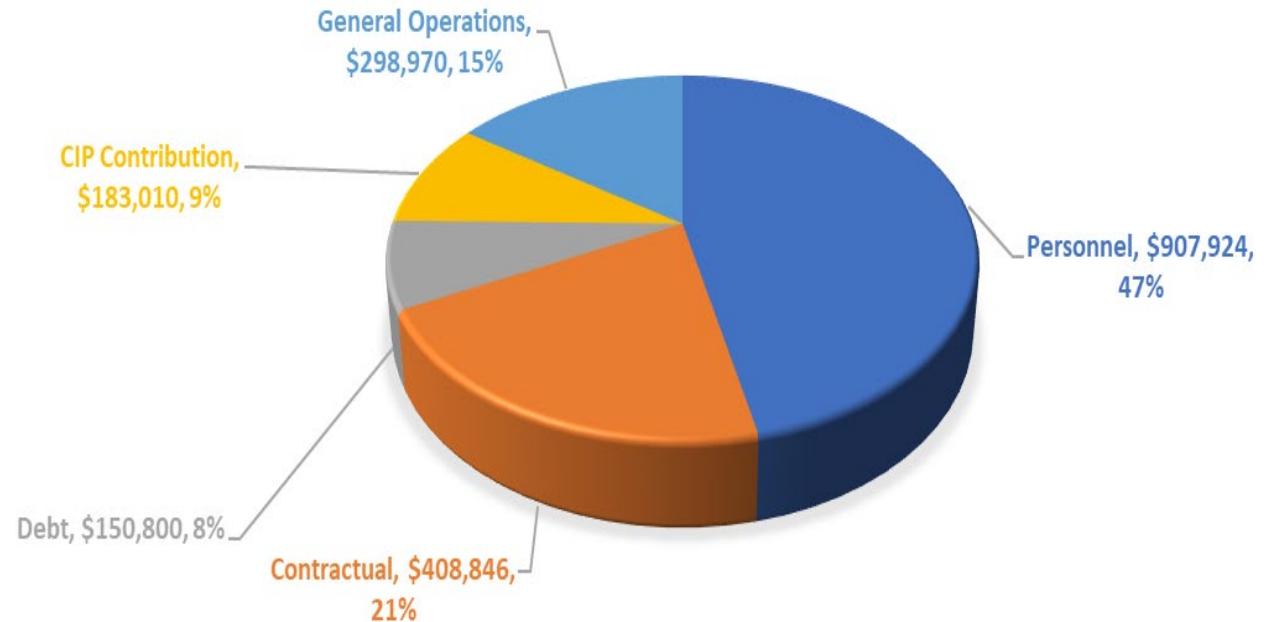
- \$15,000 reduction in anticipated consulting services for assistance in applying for grants,
- elimination of payroll software due to the replacement financial system's capabilities,
- the new Town's website's functionality allows for a decrease in the use of AV Capture for publishing video recordings, 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

February 6, 2025

HOW GENERAL FUND REVENUE IS SPENT...



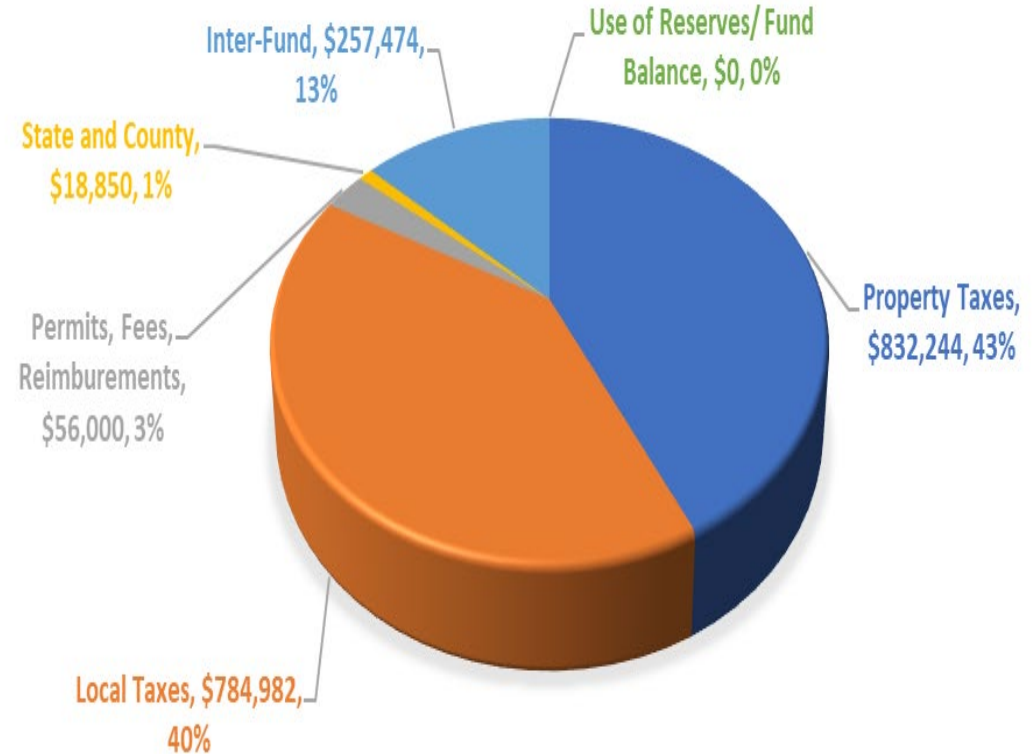
GENERAL FUND REVENUE SOURCES

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 \$54,650.**
- 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 7.71% overall over 2024** for an average assessment of \$545,691, or an increase of \$39,067.
- 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 13.7¢ which comparatively is a decrease of \$49,185 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 \$49,185 in additional revenue based on a proposed 14.6¢ rate versus the Residential Equalized Rate of **13.7¢**.
- 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 13.70¢				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	\$605,661	\$829.76	(\$2.51)	(\$0.21)	\$605,661	\$884.26	\$52.00	\$4.33
Townhome	\$380,063	\$560.59	\$412,137	\$564.63	\$4.03	\$0.34	\$412,137	\$601.72	\$41.13	\$3.43
All Residential	\$ 502,595	\$ 741.33	\$541,898	\$742.40	\$ 1.07	\$ 0.09	\$541,898	\$791.17	\$ 49.84	\$ 4.15

The proposed tax rate, on average, results in an annual tax bill increase of \$49.84 or \$4.15 per month more compared to the 2024 tax bills. In comparison to the Equalized tax rate, the 2025 annual bill would be, on average, \$1.07 more or \$0.09 per month than 2024.

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

CONSUMER TAX REVENUE

- The Proposed Budget includes an increase of \$39,303 or 5.7 percent in consumer taxes over Fiscal Year 2025.
- Sales and Use Tax: \$310,128 projected; increase of \$11,928 or 4.4%
- Meals and Beverages Tax: \$283,000 projected; increase of \$7,375 or 3.7%
- Business Licenses: \$87,000 projected; increase of \$20,000 or 24.4%

VEHICLE LICENSE FEE

- January 7, 2025: Board of Supervisors established a Grant-in-Aid Program after setting the Loudoun County rate to \$0 for 2025.
- Grant-in-Aid Program would provide Loudoun County Towns with grant funding equivalent to the 2025 estimated revenue of their respective VLF rates, IF the Town sets the 2025 rate to \$0 and reports the rate to Loudoun County prior to February 28, 2025.
- TOL projected VLF revenue is \$53,000 for 2025 (Fiscal Year 2025) that is due June 5, 2025.
- Grant-in-Aid funding is ONE-TIME.
- **FISCAL YEAR 2026 IS PREDICTATED ON 2026 VLF RATE OF \$0**

UTILITIES FUND REVENUE SOURCES

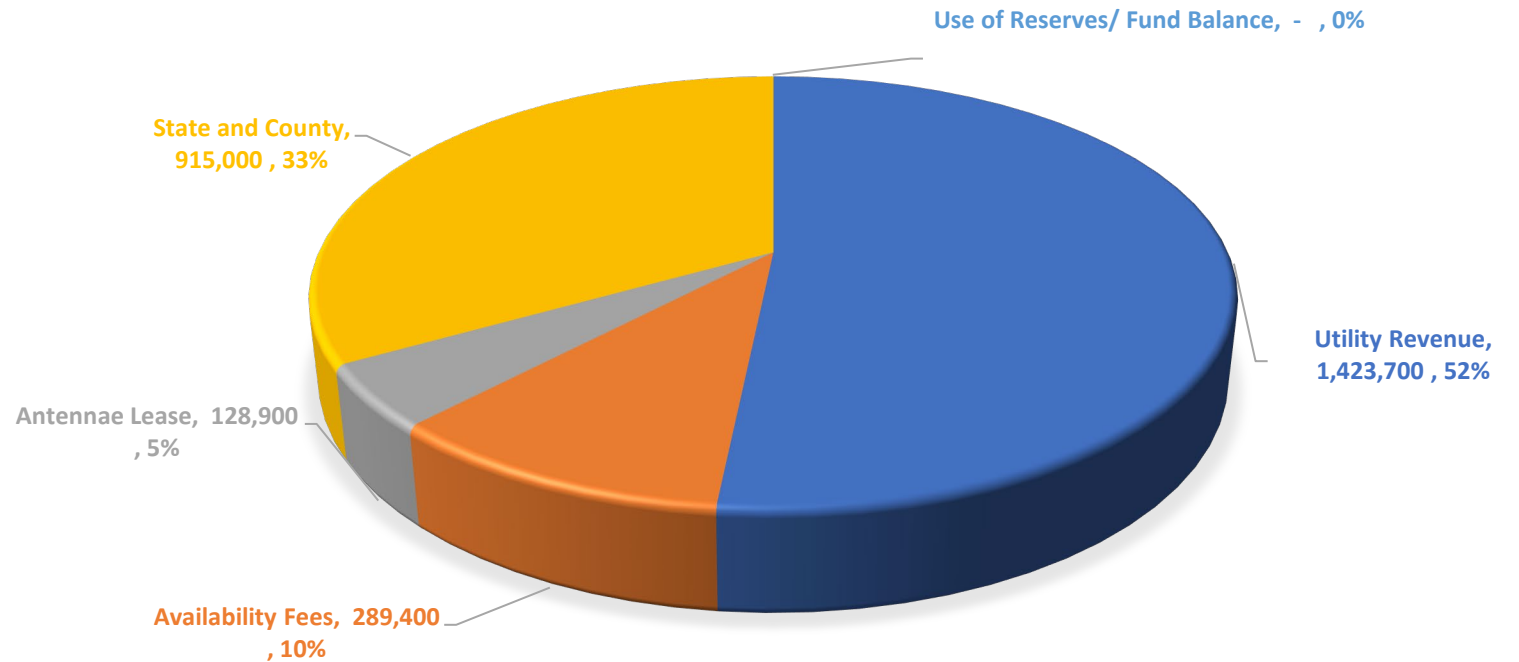
Increases in the Utilities Fund estimated revenues are attributed to:

- 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
Total Monthly Billed		\$104.44		\$107.57	\$3.13

INTER-FUND ADMINISTRATIVE OVERHEAD TRANSFER

- FY 2026 includes \$257,474 or an increase of \$48,539 or 24%
- Transfer is the proportional costs of General Fund personnel reflective of their time dedicated to supporting the Utilities Fund.
- Transfer covers services by General Fund personnel including: financial, permitting, clerical, public outreach, engineering and project management, operating and maintenance support and overall oversight of the system

The Fiscal Year 2026 transfer reflects the following percentage for each of the General Fund employees as such:

Town Manager	30%
Treasurer	60%
Town Clerk	10%
CEED Coordinator	10%
Public Works Coordinator	30%
Utility Billing and Administrative Services Manager	70%
Project Manager	20%
Planning/ Zoning Administrator	15%

FRYE COURT SPECIAL TAX DISTRICT

- The Frye Court Service Tax District was established in April 2003 as a “mechanism for funding the inspection, maintenance, repair and replacement needs” of the Pump Station on Frye Court. In 2019, the district was expanded by the Lovettsville Village Community. There are currently 28 parcels included in the service district that are subject to the annual service tax rate levied on the land value of the parcels.
- The recurring operating expenses for the Frye Court Pump Station for Fiscal Year 2026 total \$9,000.
- The proposed 2025 tax rate of 23.3¢ is included in the Proposed Fiscal Year 2026 Budget. At the time of presentment of the budget, the assessments of the district were unknown.
- The FINAL total re-evaluation of the land values of the parcels for 2025 is \$4,339,500 or an increase of \$420,000 or 10.72% over 2024. As such, the calculated equalized rate is 21.0¢. This amount would simply cover projected operating costs for Fiscal Year 2026.
- The current rate of 23.3¢ would yield an additionally \$978.60 in revenue.

Fiscal Year
2026-2030

Capital
Improvement
Plan

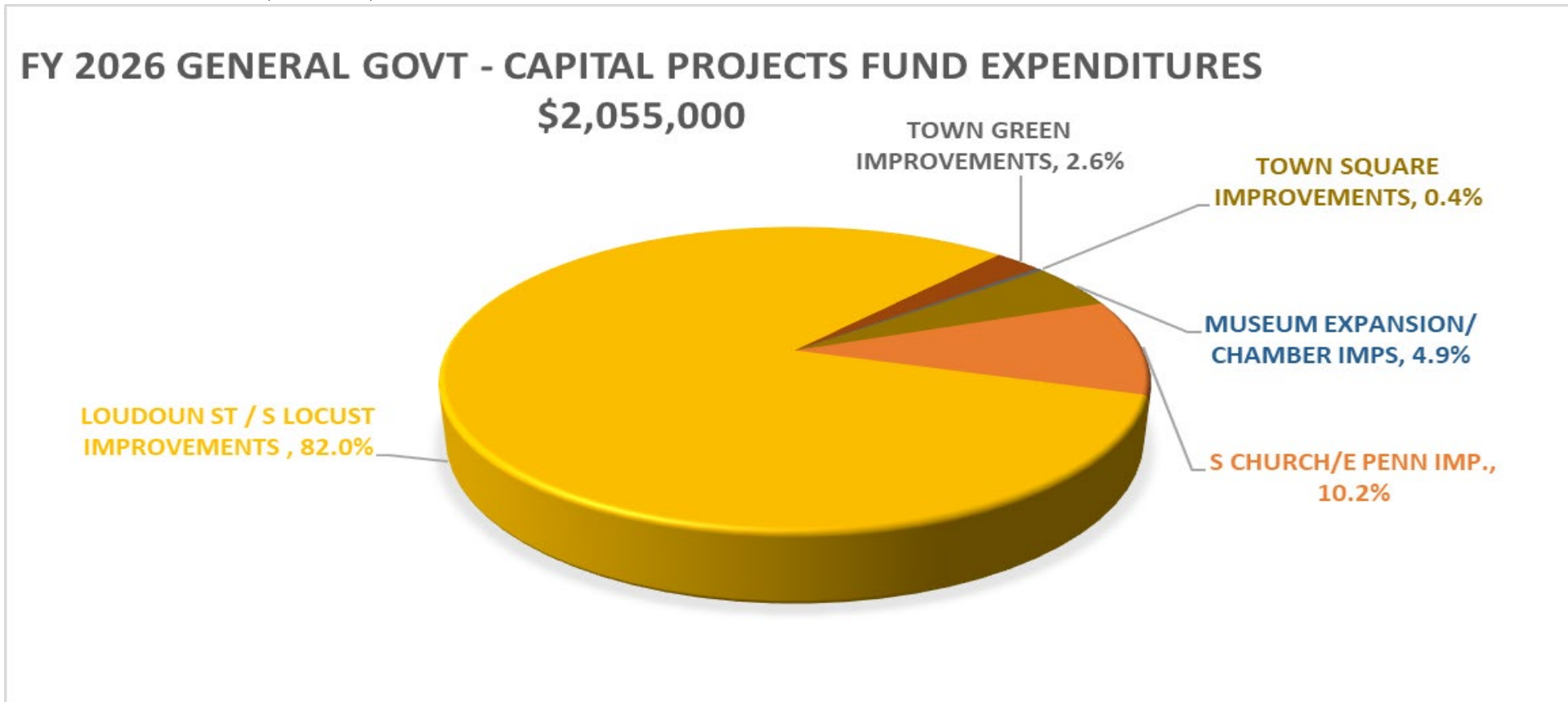


TOWN
OF
Lovettsville
VIRGINIA

February 6, 2025

GENERAL GOVERNMENT: CAPITAL IMPROVEMENT PLAN

- **FIVE** General Government projects are underway in Fiscal Year 2026 and total **\$2,055,000**.



GENERAL GOVERNMENT: CAPITAL IMPROVEMENT PLAN

- Fiscal Year 2026 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	-	-	-	-	-	-	-	-
TOTAL REVENUES		\$ 25,568,825	\$ 12,720,705	\$ 2,055,000	\$ 1,362,500	\$ 3,670,200	\$ 363,000	\$ -	\$ 7,450,700

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
TOTAL EXPENDITURES			\$ 3,175,070	\$ 600,070	\$ 660,000	\$ 1,655,000	\$ 90,000	\$ 80,000	\$ 90,000	\$ 2,575,000

COMMUNITY OUTREACH & FEEDBACK

- ▶ Proposed budget document is available as a PDF on the Town website at: www.lovettsvilleva.gov
- ▶ A hardcopy is available at the Town Administrative Building and the Lovettsville Library.
- ▶ Budget Work Sessions on: Feb. 20 & March 6, 2025.
- ▶ Budget Public Hearing on February 20, 2025
- ▶ Budget and Tax Rate Adoption/ Public Hearing on March 20, 2025