

FY2023 Proposed Budget **Town Council Work Session**



TOWN OF OCCOQUAN

FEBRUARY 15, 2022

Town Council Priorities

- Community Development and Programming
- Historic Preservation and Town Appearance
- Parking Management
- Public Safety
- Stormwater Management
- Economic and Pandemic Recovery



FY2023 Proposed Budget Guidance

- Maintains current tax rate of \$0.12 per \$100 of assessed value
- Maintains current meals tax rate of 3%
- Maintains current transient tax rate of 7%
- Maintains current Vehicle License Fee rates
- Maintains current Business Licensing Rates



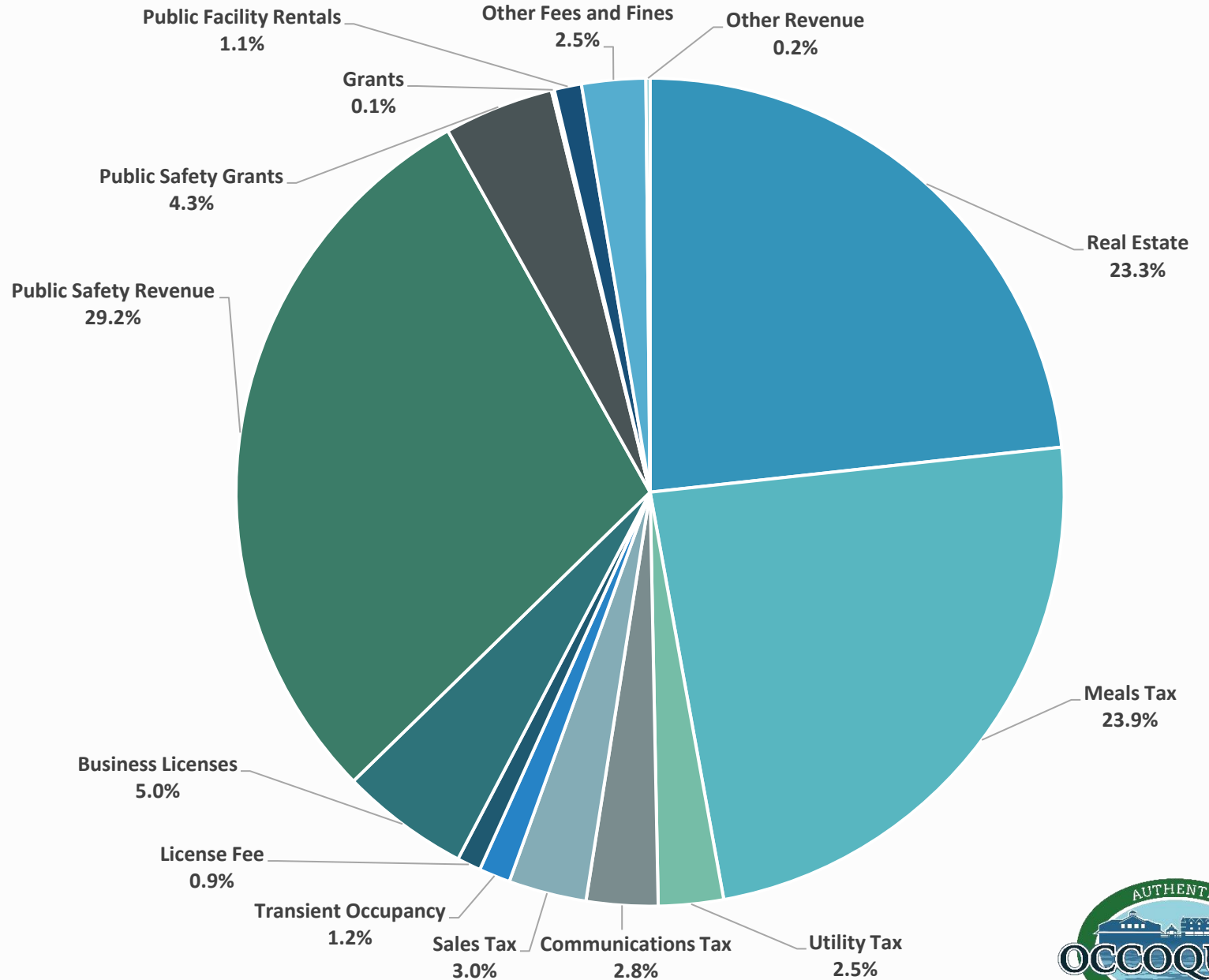
General Fund

PROPOSED FY2023 BUDGET

OPERATING FUND - REVENUES



FY2023 PROPOSED GENERAL FUND - ALL REVENUES



General Fund Proposed Revenues

ALL REVENUES

77% of General Fund Revenue:

- Public Safety Revenue
- Meals Taxes
- Real Estate Taxes



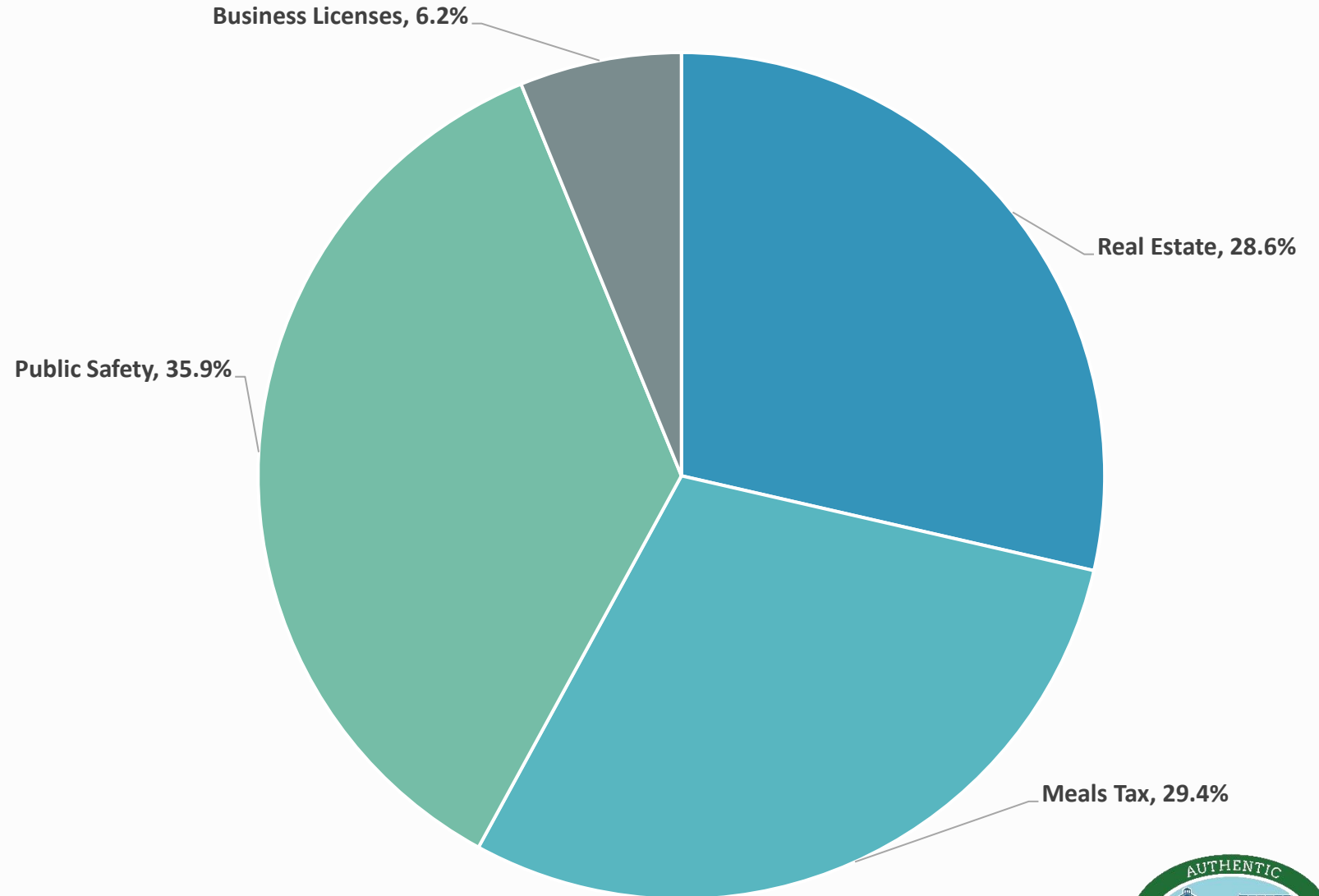
General Fund Proposed Revenues

MAJOR REVENUE CATEGORIES

82.1% of General Fund Revenues

- Public Safety Revenue
- Meals Tax
- Real Estate Taxes
- Business Licenses

FY2023 PROPOSED GENERAL FUND - MAJOR REVENUE CATEGORIES



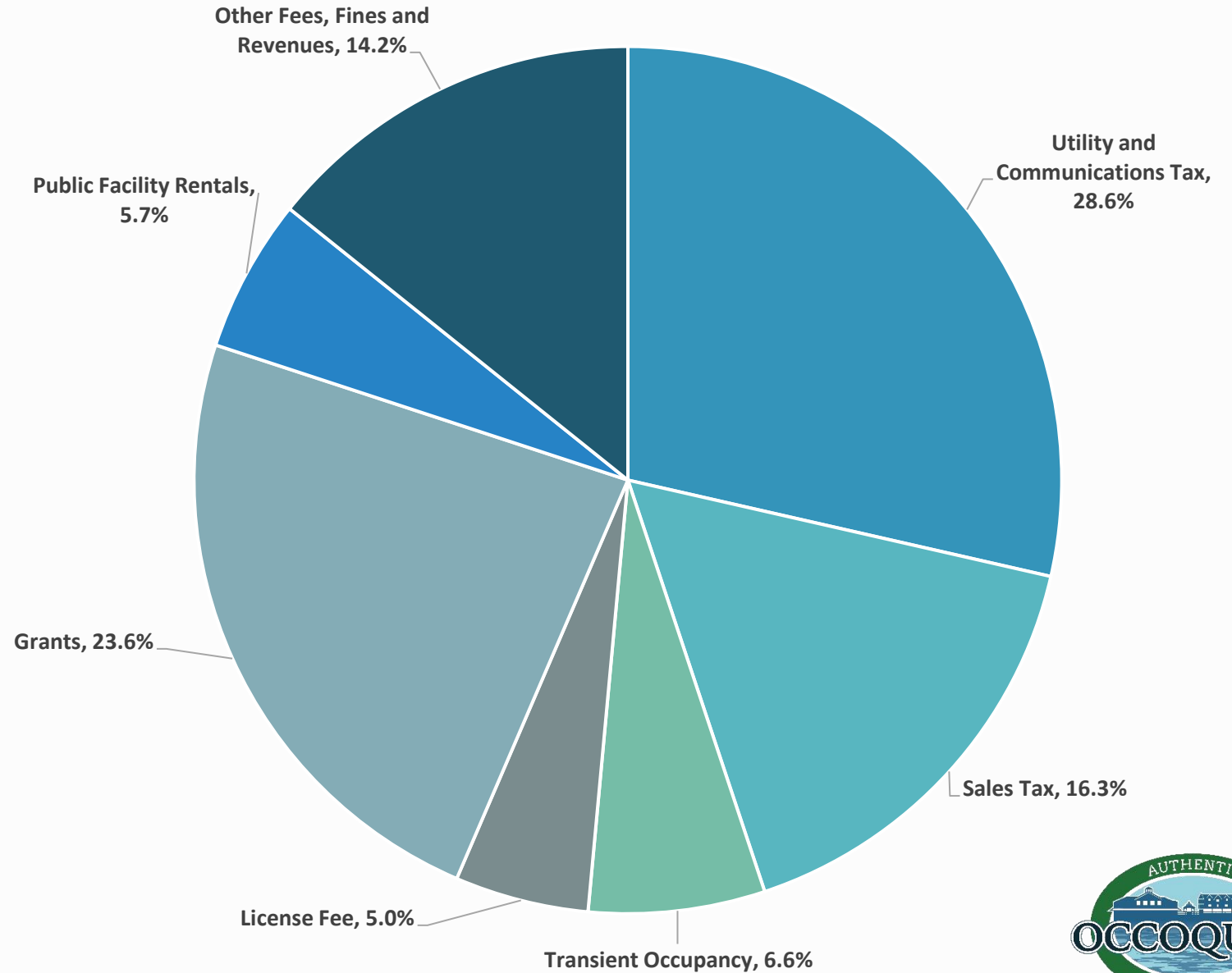
General Fund Proposed Revenues

OTHER REVENUE CATEGORIES

17.9% of General Fund Revenues

- Utility and Communication Taxes
- Sales Tax
- Transient Occupancy Taxes
- Grants
- Public Facility Rentals
- Other Fees, Fines and Revenues

FY2023 PROPOSED GENERAL FUND - OTHER REVENUE CATEGORIES



Real Estate Assessments

- Preliminary County Assessment Figures: 11.5% increase in real estate assessments
- Very preliminary numbers; refined figures expected by second work session

	2021 FY2022 (Actual – Unaudited)	2022 FY2023 (Estimate)	% Change
Taxable Property (All)	\$210,263,800	\$234,366,700	11.5%
Tax Collectable*	\$206,064,748	\$229,276,922	11.3%

**Excludes Tax relief properties and includes tax from public service.*



Real Estate Tax Revenues

- Estimates project a 11.3% increase over last year's real estate tax revenues
- Budget developed based on maintaining \$0.12 RE tax rate

	2020 Assessments Actual (Unaudited) FY2021	2021 Assessments Projected FY2022	2022 Assessments Proposed/Estimated FY2023
Tax Collectable Assessments	\$199,333,260	\$206,064,748	\$229,276,922
Actual/Projected Tax Collected	\$232,951	\$249,189	\$275,132
Adopted/Proposed	\$245,000	\$249,189	\$275,132



Real Estate Taxes

- Preliminary Real Estate Tax assessment figures show a 11.5% increase in assessments and would result in:
 - Lowered Tax Rate: \$0.108 (to offset increased assessment)
 - Effective Rate Increase: \$.012 (if tax rate is maintained)
- Very preliminary figures
 - Refined and more detailed real estate assessments expected in early March
 - Figures will be refined as more information is obtained



Meals Taxes

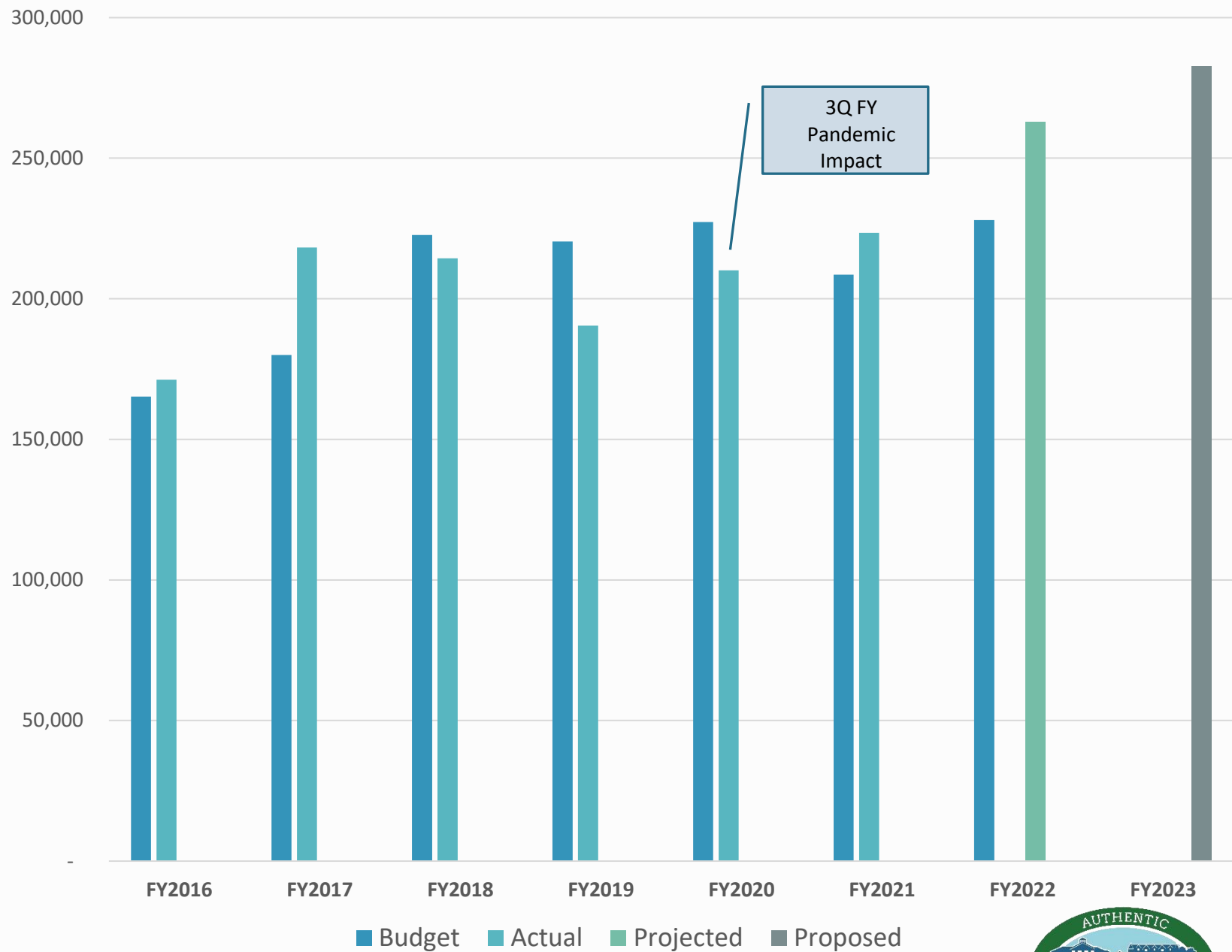
- Maintains current 3% rate
- Estimates based on continued economic recovery and planned additions to restaurant stock

	FY2021 Budget	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Proposed
Meals Taxes	\$208,533	\$223,451	\$228,000	\$262,802	\$282,499

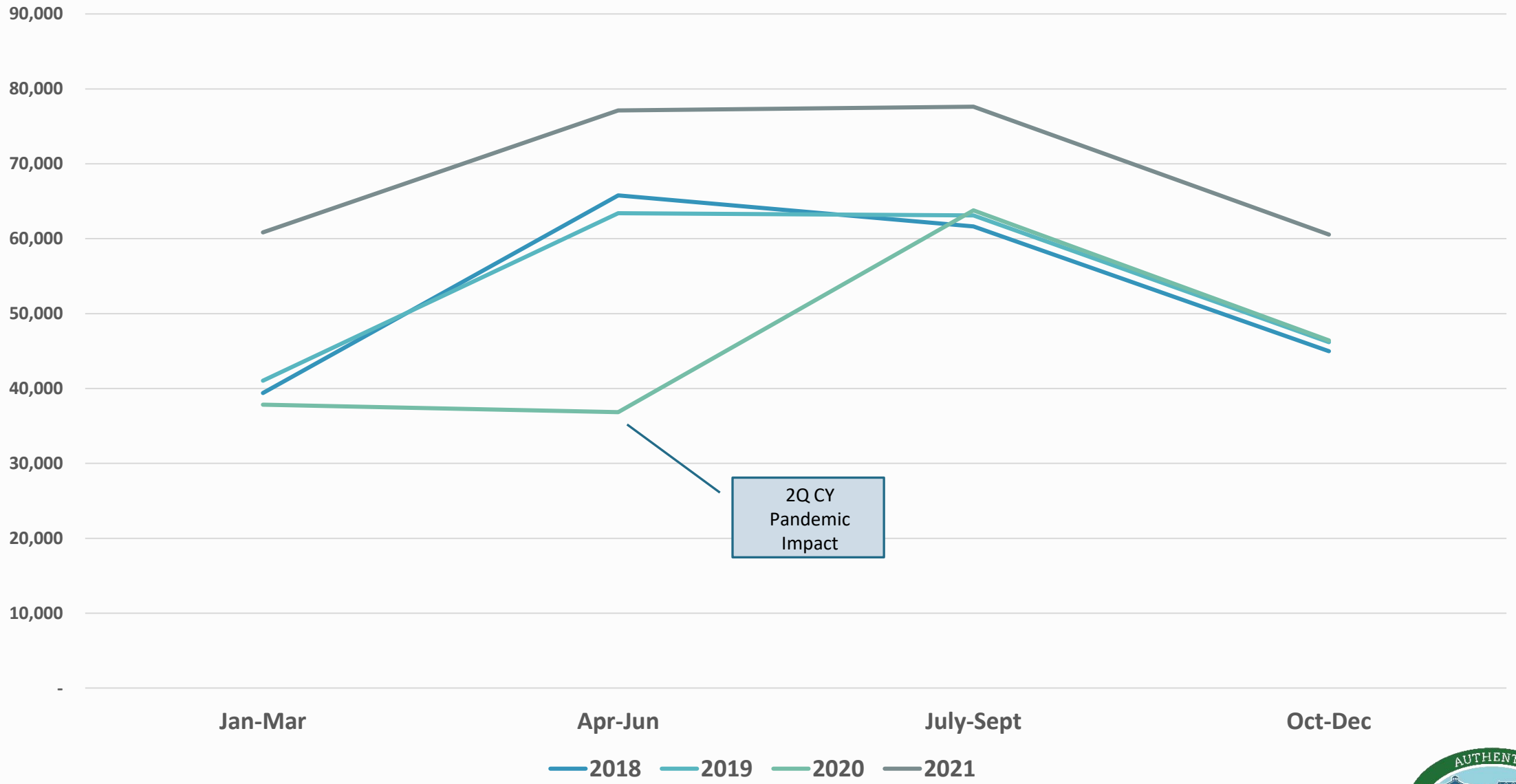


Meals Tax

- Historical Information



MEALS TAX: COLLECTED TAX BY QUARTER 2018-2021



Business Licenses

- Healthy business community, low vacancy rate
- Rates are comparable to County rates
- Impacts to revenue – increased promotion of business community, marketing efforts, community activities and events

	FY2021 Budget	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Proposed
Business Licenses	\$51,100	\$52,612	\$68,800	\$54,000	\$59,500



Service Fees

- Development fee schedule regulates service fees
- Engineering and Zoning not cost neutral – town costs associated with engineering and zoning requirements and activities
- Improve service revenues through adjustment to fee schedule – last update was 2021
- Legal Services flat monthly rate for administrative legal support



State Distributed Funds

- Communications Tax
 - (2.6%) to projected
- Utility Tax
 - (0.7%) to projected
- Sales Tax
 - 3.2% to projected; 20% to budget

	FY2021 Budget	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Proposed
Communications Tax	\$38,000	\$34,133	\$35,000	\$33,893	\$33,000
Utility Tax	\$31,000	\$30,566	\$28,800	\$30,211	\$30,000
Sales Tax	\$30,063	\$31,340	\$30,000	\$34,873	\$36,000



Transient Occupancy Tax

- Includes estimated revenue from four homestay businesses currently operating within the town
- Based on maintaining current rate of 7%
 - Prior to FY2022, the rate was 2%

	FY2021 Budget	FY2021 Actual	FY2022 Budget	FY2022 Projected	FY2023 Proposed
Transient Tax	\$2,500	\$5,076	\$11,200	\$14,300	\$14,500



FY2023 Proposed Budget

General Fund Tax Revenues Summary

Revenue Category	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Percent Change to FY2022 Budget
Real Estate	\$249,189	\$249,189	\$275,132	10.4%
Meals Tax	\$228,000	\$262,802	\$282,499	23.9%
Sales Tax	\$30,000	\$34,873	\$36,000	20.0%
Utility/Communications Tax	\$63,800	\$64,104	\$63,000	(1.3%)
Transient Occupancy Tax	\$11,200	\$14,300	\$14,500	29.5%
Total	\$582,189	\$625,268	\$671,131	15.3%



FY2023 Proposed Budget General Fund Other Revenues Summary

Revenue Category	FY2022 Budget	FY2022 Projected	FY2023 Proposed	% Change to FY2022 Budget	\$ Change to FY2022 Budget
Business Licenses	\$68,800	\$54,000	\$59,500	(13.5%)	(\$9,300)
Vehicle License Fee	\$12,000	\$10,500	\$11,000	(8.3%)	(\$1,000)
Public Safety Fines	\$297,580	\$345,000	\$345,000	15.9%	\$47,420
E-Summons*	\$7,000	\$2,000	-	(100%)	(\$7,000)
Service Revenue	\$26,000	\$26,500	\$25,500	(1.9%)	(\$500)
Grants	\$39,330	\$43,614 [^]	\$52,017	32.3%	\$12,687
Rentals	\$12,000	\$12,900	\$12,613	5.1%	\$613
Other Fees and Revenues	\$26,041	\$3,570	\$5,900	(77.3%)	(\$20,141)
Total	\$488,751	\$498,084	\$511,530	4.7%	\$22,779
TOTAL REVENUES	\$1,070,940	\$1,123,352	\$1,182,661	10.4%	\$111,721

*E-Summons moved to a Special Use Fund in FY2023

[^]Includes CARES Funds expended in FY2022

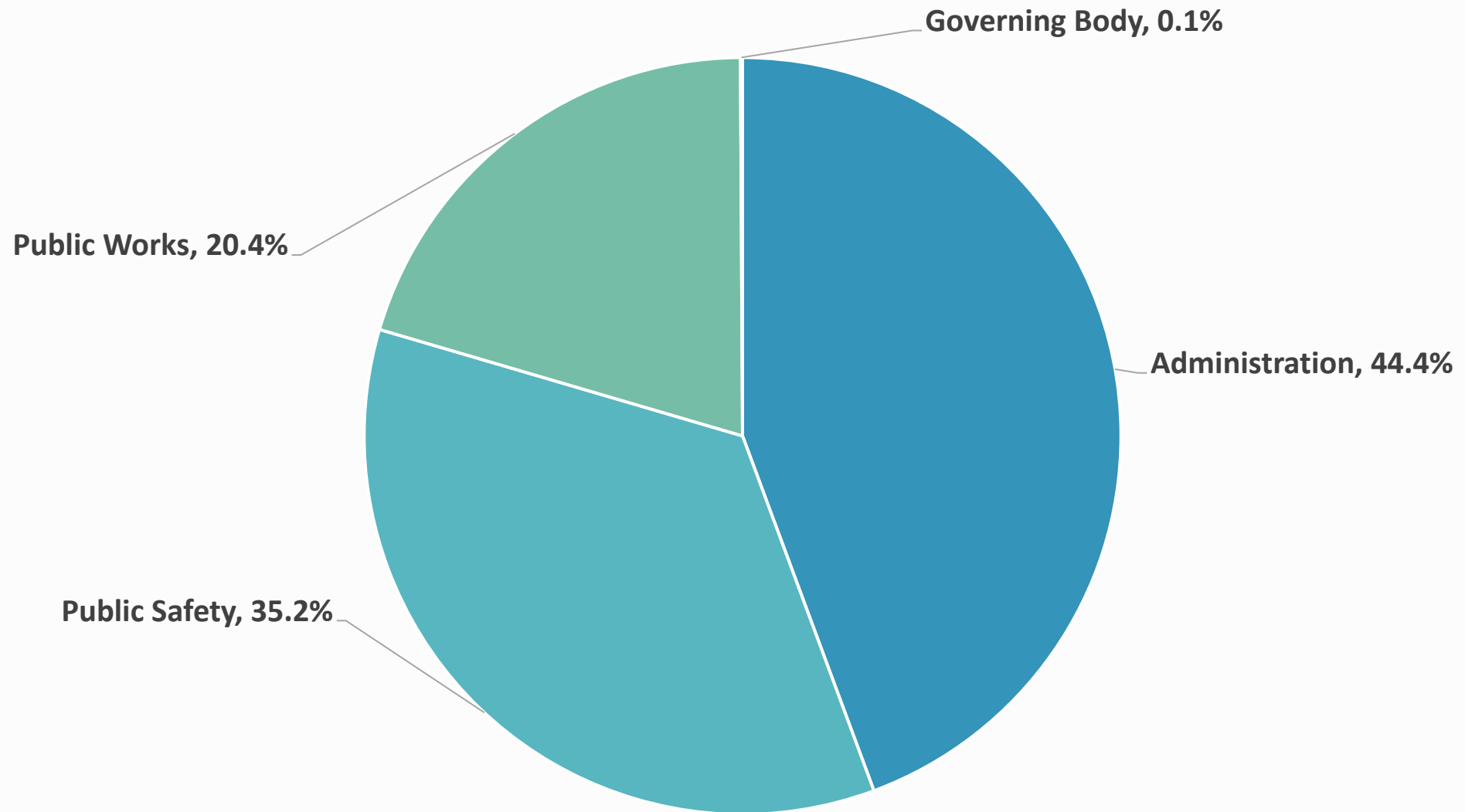


General Fund

PROPOSED FY 2023 BUDGET

OPERATING FUND - EXPENSES

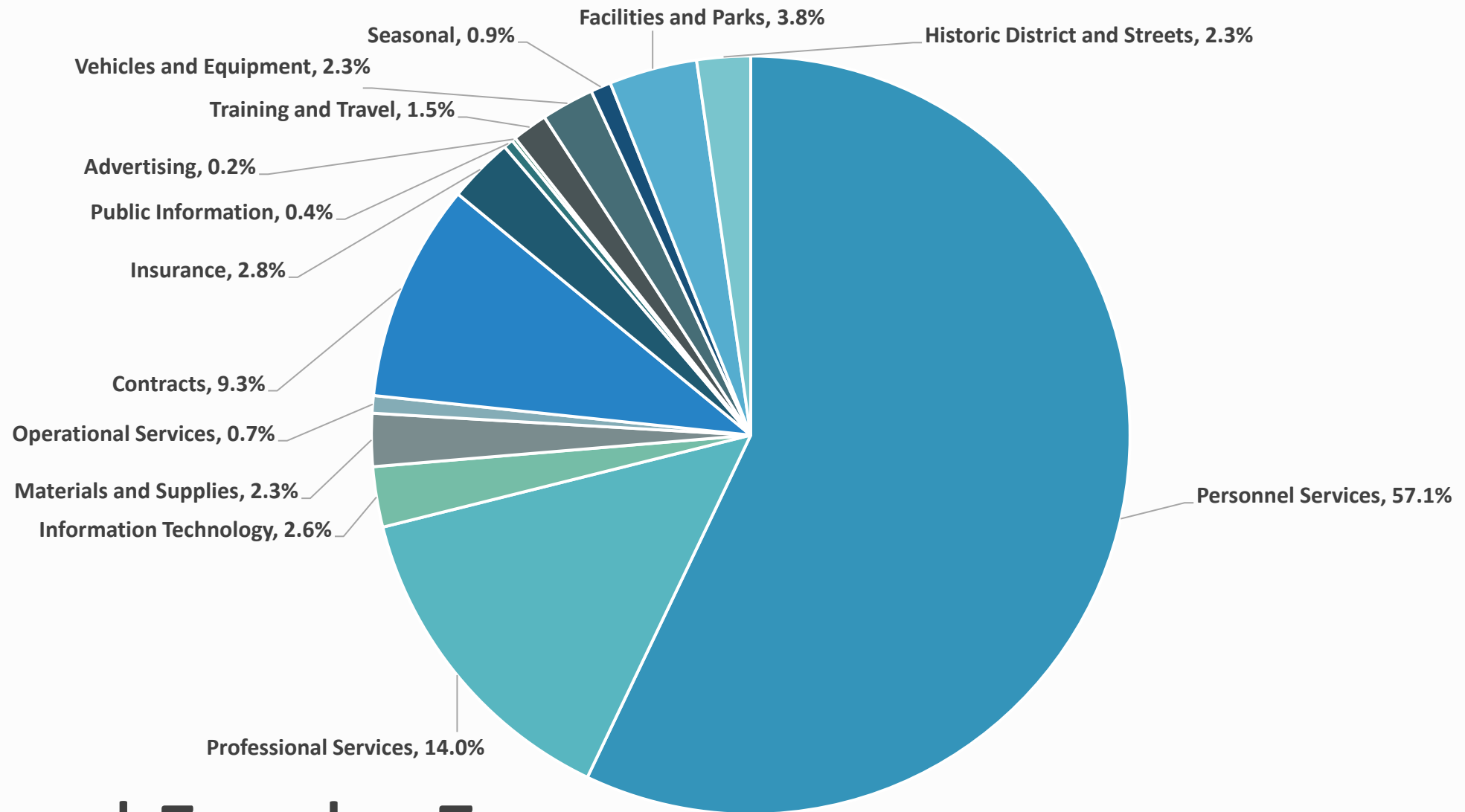




General Fund – Expenses

Proposed FY2023 General Fund Expenses by Activity





General Fund – Expenses

Proposed FY2023 General Fund Expenses by Category



FY2023 Proposed Budget

General Fund Expenses

	FY2022 Budget	FY2022 Projected	FY2023 Proposed	% To Budget	\$ to Budget
Administration	\$476,037	\$479,100	\$536,023	13.9%	\$59,986
Public Safety	\$383,044	\$380,896	\$425,207	11.6%	\$42,163
Public Works	\$198,086	\$227,084	\$246,175	8.4%	\$48,089
Governing Body	\$1,072	\$72	\$1,072	0%	\$0
Fund Transfer	\$12,700	\$0	\$0	-	(\$12,700)
TOTAL	\$1,070,940	1,087,152	\$1,208,477	12.8%	\$137,537



FY2023 Proposed Budget Personnel

- Existing Staffing – General Fund
 - Administration
 - Town Manager - FT
 - Town Clerk - FT
 - Town Treasurer - FT
 - Administrative Assistant – PT
 - Public Safety
 - Chief of Police – FT
 - Police Officer (X2) – FT
 - Part-Time Officer Pool (2,183 hours)
 - Auxiliary Program (volunteers)
 - Public Works
 - Maintenance Supervisor - FT



FY2023 Proposed Budget Expense Impacts

- Organizational Adjustments
 - Conversion of Town Clerk to Assistant Town Manager/Town Clerk position
 - Reallocation of Public Works On-Call Services to Events Fund for seasonal Events support position
 - Realignment of Maintenance Supervisor responsibilities and structure
 - Program expansion of timed parking enforcement program
- Salary Adjustments
 - Increase in on-call hourly rates (public works, parking enforcement, and on-call part-time police officers)
 - Salary Adjustment Pool for current permanent full-time and part-time positions



FY2023 Proposed Budget Expense Impacts

- Overall
 - Includes Employee Salary Adjustment Pool for existing employees: \$11,956
- Administration
 - Conversion of Town Clerk position to Assistant Town Manager/Town Clerk
 - Base salary impact: \$9,650 (\$62,000 salary budget) | \$11,187 estimated impact (including benefits)
- Operations
 - Assumed increase in legal services
 - Increase IT Services and Support
 - Increase in Insurance
 - Increase cost in gas light utility costs



FY2023 Proposed Budget Expense Impacts

- Public Safety
 - Expansion of Parking Enforcement Program
 - Increase hours from 384 hours to 768 hours | \$6,144 impact
 - Increase rate from \$15 to \$16 per hour | \$384 impact
 - Current: 8 hours per week/48 weeks | Proposed: 16 hours per week/48 weeks
 - Increase Part-Time Officer Salary Pool Rate
 - Maintain current available hours for Part-Time Officers
 - Increase rate average from \$25 to \$26.50 per hour | \$3,275 impact
 - DMV Grant labor hours included in On-Call Labor and OT
 - Reimbursed Grant is \$15,300
 - Estimated Revenues: \$38,000
 - Operational
 - Increase in gasoline costs
 - Increase in academy costs
 - Anticipated increase in Prosecution services



FY2023 Proposed Budget Expense Impacts

- Public Works
 - Assistant Town Manager/Town Clerk Supervisor over Public Works
 - Remove community event support from Maintenance Supervisor's responsibilities
 - Reduce Public Works On-Call from \$15,600 to \$10,000
 - 625 hours | \$16 per hour | 20 hours per week/31 weeks a year (peak)
 - \$5,600 moved to Events Fund for seasonal on-call Event Support
 - Operational Impacts
 - Added \$6,000 for operational expenses (previously unbudgeted)
 - Anticipated increase in refuse collection contract (3.5%)
 - Increased funding for holiday decorations \$3,000 budgeted for FY2022; \$8,000 projected for FY2022; \$10,500 proposed FY2023



FY2023 Proposed Budget General Fund Summary

	FY2022 Budget	FY2022 Projected	FY2023 Proposed	\$ % to Budget
Revenues	\$1,070,940	\$1,123,352	\$1,182,661	\$111,721 10.4%
Expenses	\$1,070,940	\$1,087,152	\$1,208,477	\$137,537 12.8%
(Deficit)/Surplus	\$0	\$32,600	(\$25,816)	

- FY 2022 included a budgeted \$19,921 transfer to cover operating expenses
- FY 2022 projected are very preliminary estimates based on six months of actuals; these figures will be revised and updated as we move through the budget process



Revenue Worksheet

	0.12 Since FY2016	.125	.13
Real Estate Taxes	\$275,132	\$286,596	\$298,060
Additional Revenue		+\$11,464	+\$22,928

<i>Amount included in FY2023 Proposed</i>	3% Since FY2016	3.5%	4%	<i>Average of FY21 Actuals and FY22 Projected</i>	3% Since FY2016	3.5%	4%
Meals Taxes	\$282,499	\$329,582	\$376,665	Meals Taxes	\$248,895	\$290,378	\$331,861
Additional Revenue		+\$47,083	+\$94,166	Additional Revenue		+\$41,483	+\$82,965

	7% Since FY2022	7.5%	8%
Transient Tax Rate	\$14,500	\$15,536	\$16,571
Additional Revenue		+\$1,036	+\$2,071



Expense Reductions

- Reduction of Parking Enforcement Program to current level
 - Revenue Impact: None – no new revenue associated with additional hours
 - Expenditure Impact: (\$6,144)
- Removal of Assistant Town Manager position: (\$11,956)
- Other Service or Program Changes
- One-time Reserves Transfer



General Fund Questions

Events Fund

FY2023 PROPOSED BUDGET



Events Fund

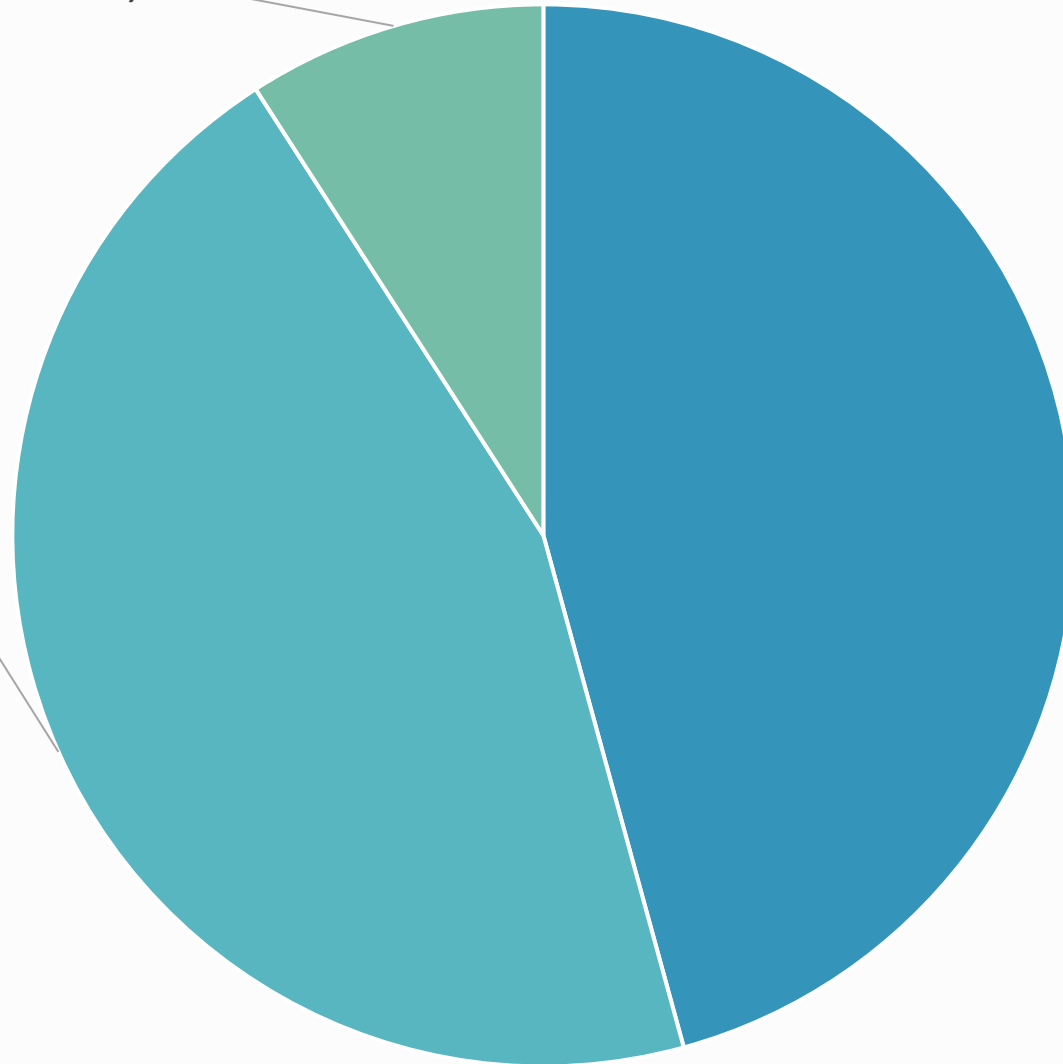
- Includes all community events – revenues and expenditures
- Majority of Revenues are generated from an annual Spring town event and the Fall outdoor Arts and Crafts Show
- Other revenues include those generated from other community events
- Expenses are for the costs associated with implementing events
- Net revenues from the Fund are used to support the Town's Capital Improvement Program



Other Events Revenue, 9.1%

Fall Craft Show Revenue, 45.1%

Riverfest Revenue, 45.7%



Events Fund Proposed FY2023 Revenues



FY2023 Proposed Budget

Events Fund - Events Revenues

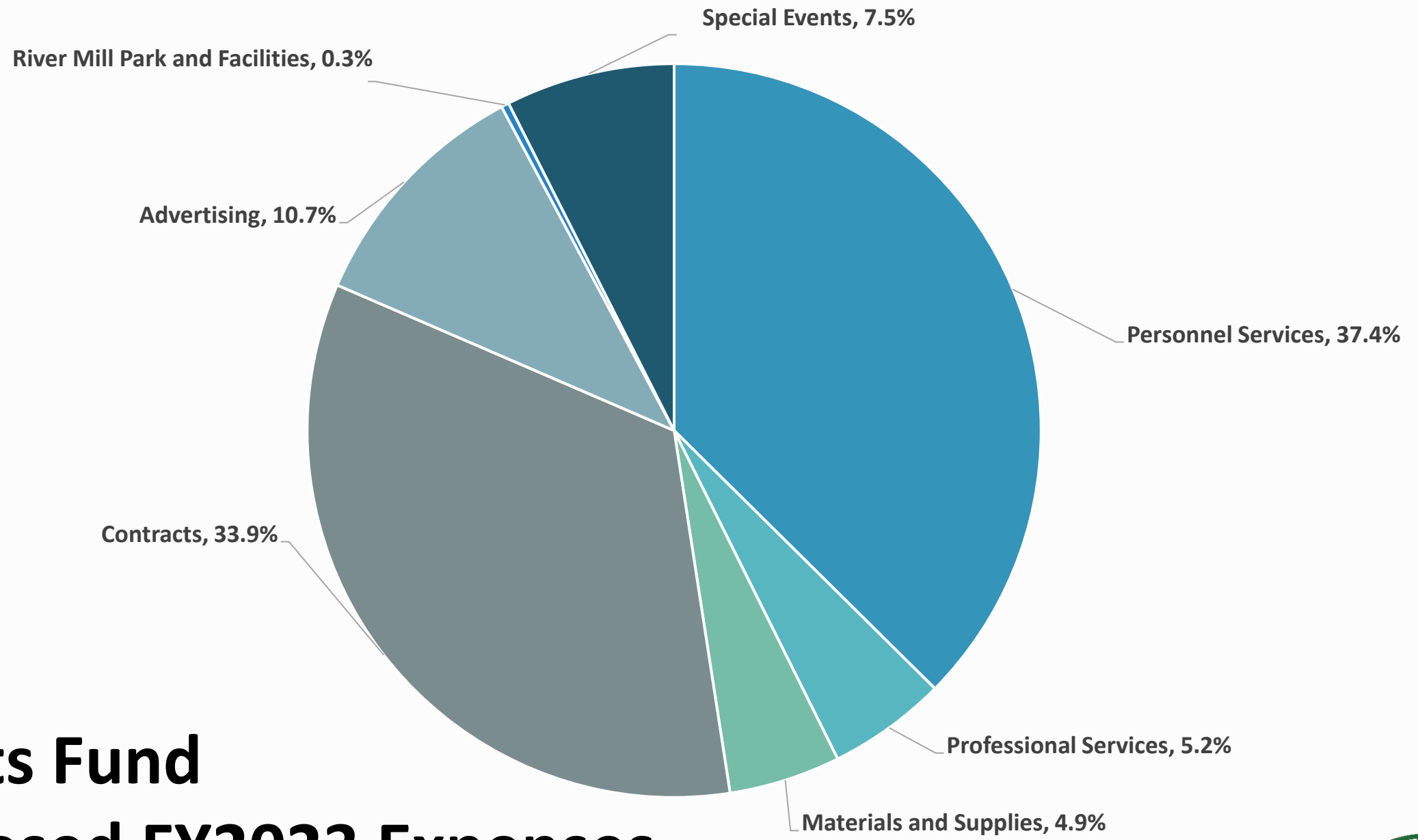
Revenue Category	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Increase/Decrease (%) To Budget	Increase/Decrease (\$) To Budget
Sponsorships	\$10,000	\$8,325	\$13,000	30.0%	\$3,000
Booth Rentals	\$170,600	\$132,975	\$138,195	(19.0%)	(\$32,405)
Shuttle Fees	\$53,000	\$55,768	\$66,600	25.7%	\$13,600
Parking Space Sales	\$6,000	\$7,575	\$7,725	28.8%	\$1,725
Merchandise	\$1,000	\$1,501	\$1,750	75.0%	\$750
Ticket Sales	\$0	\$11,434	\$11,100	-	\$11,100
Sub-Total	\$240,600	\$217,578	\$238,370	(0.9%)	(\$2,230)



FY 2023 Proposed Budget Events Fund – Other Revenues

Revenue Category	FY 2022 Budget	FY 2022 Projected	FY 2023 Proposed	Increase/Decrease (%) To Budget	Increase/Decrease (\$) To Budget
Brick Paver Program	\$3,000	\$1,400	\$1,800	(40.0%)	(\$1,200)
Convenience Fees	\$0	\$4,611	\$5,500	-	\$5,500
Events Fund Interest	\$0	\$1,200	\$1,200	-	\$1,200
Other Revenue	\$5,100	\$1,500	\$0	-	\$1,500
Sub-Total	\$8,100	\$8,711	\$8,500	4.9%	\$400
Event Fund Revenues Total	\$248,700	\$226,289	\$246,870	(0.7%)	(\$1,830)





Events Fund Proposed FY2023 Expenses



FY 2023 Proposed Budget Events Fund Expenses

Expense Category	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Increase/Decrease (%) To Budget	Increase/Decrease (\$) To Budget
Personnel Services	\$62,892	\$66,185	\$71,548	13.8%	\$8,656
Professional Services	\$10,000	\$10,000	\$10,000	0%	\$0
Materials and Supplies	\$5,150	\$10,402	\$9,400	82.5%	\$4,250
Contracts	\$66,700	\$63,470	\$64,875	(2.7%)	(\$1,825)
Advertising	\$19,000	\$18,478	\$20,500	7.9%	\$1,500
River Mill Park (Bricks)	\$1,000	\$500	\$650	(35.0%)	(\$350)
Special Events	\$12,700	\$14,624	\$14,250	12.2%	\$1,550
Total Expenses	\$177,442	\$183,659	\$191,223	7.8%	\$13,781

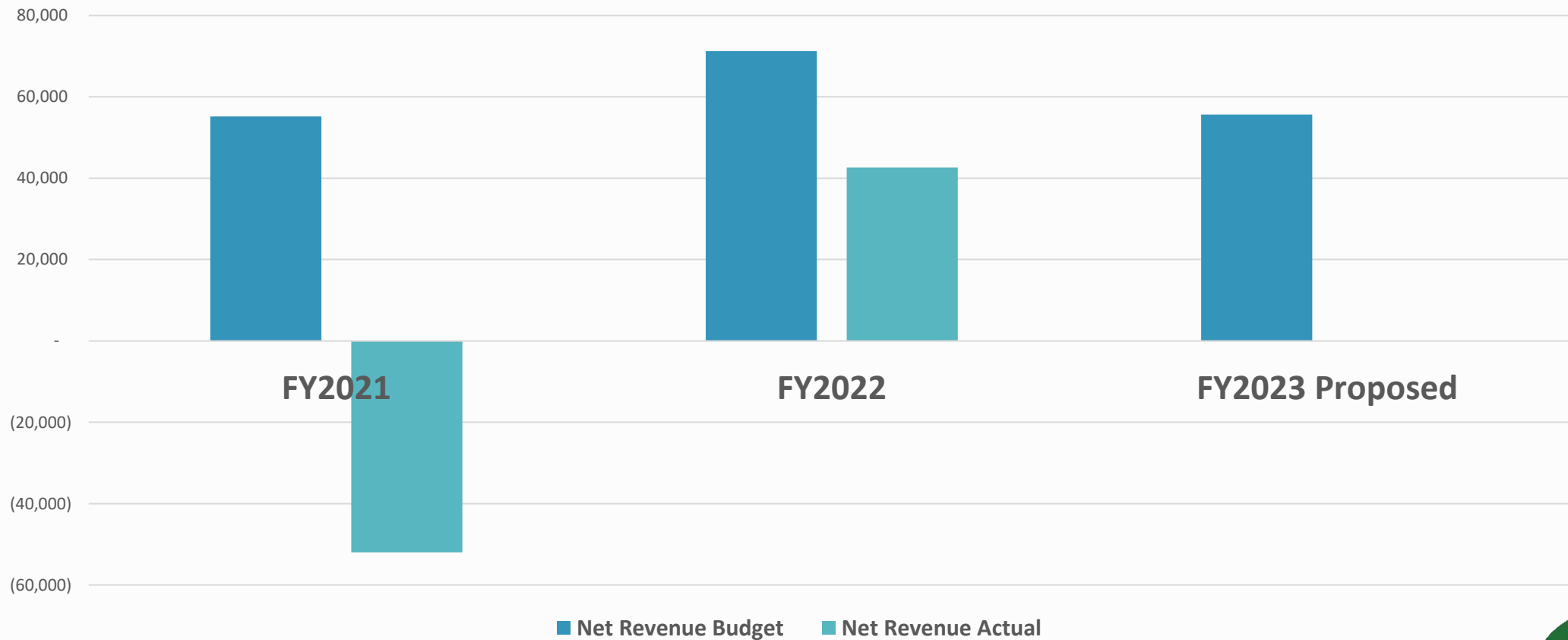


FY2023 Proposed Budget Events Fund – Net Revenues

Expense Category	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Increase/Decrease (%) To Budget	Increase/Decrease (\$) To Budget
Revenues	\$248,700	\$226,289	\$246,870	(0.7%)	(\$1,830)
Expenses	\$177,442	\$183,659	\$191,223	7.7%	\$13,781
Net Revenue – Fund Level	\$71,258	\$42,630	\$55,647	(21.9%)	(\$15,611)



FY2023 Proposed Budget Event Fund – Net Revenue Actuals



FY2023 Proposed Budget

Spring and Fall Shows History – Net Revenues

	FY2019 Budget	FY2019 Actuals	FY2020 Budget	FY2020 Actuals	FY2021 Budget	FY2021 Actuals	FY2022 Budget	FY2022 Projected	FY2023 Proposed
Fall Show	\$50,990	\$76,251	\$36,381	\$49,733	\$49,392	(\$17,731)	\$60,037	\$38,590	\$46,594
Spring Show	\$50,998	\$71,273	\$35,440	\$48,561	\$34,402	(\$17,731)	\$52,032	\$34,937	\$44,338
Total NR	\$101,996	\$147,524	\$71,821	\$98,294	\$83,794	(\$35,462)	\$112,069	\$73,527	\$90,932

- Impacts to Expenses (per show) since 2018:
 - Seasonal event support (proposed FY2023)
 - Shuttle Contract increased by \$6,800 (FY2020)
- Impacts to Revenues
 - Increased shuttle fare to \$5 in 2015 | FY 2023 includes increase to \$6 (\$5,600 impact per show)
 - Booth fees increased in FY2022 | No proposed increase in FY2023
 - Revamped Sponsorship program launching in FY2022



FY2023 Proposed Budget Spring and Fall Shows – Net Revenue Actuals



Events Fund Questions

E-Summons Fund

FY 2023 PROPOSED BUDGET



E-Summons Fund

- Town adopted Ordinance O-2019-02 to assess a \$5 fee per traffic or criminal case (*authorized by VA Code § 17.1-279-1*)
- Purpose is to increase overall efficiency to the Judicial System by reducing backlog of data entry of summons and facilitating faster and more accurate resolutions to cases
- Assessments are a special fund that can only be used for the purchase, implementation, and maintenance of the eSummons Program
- Prior to FY2023, eSummons revenues and expenditures were run through General Fund
- FY2023 Proposed Budget includes tracking eSummons revenues and expenditures in a separate fund



Proposed FY2023 Budget E-Summons Fund

	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Increase/ Decrease (%) Over Budget	Increase/ Decrease (\$)
E-Summons Revenue	\$0	\$0	\$12,000	-	\$12,000
Total Proposed Revenue	\$0	\$0	\$12,000	-	\$12,000
Hardware/Software Maintenance	\$0	\$0	\$1,750	-	\$1,750
Operational Supplies	\$0	\$0	\$1,400	-	\$1,400
Total Proposed Expenses	\$0	\$0	\$3,150	-	\$3,150

E-Summons Fund Balance Estimate

Fund Balance Estimate as of 6/30/2022	\$28,435
Estimated FY2023 Net Revenue	\$8,850
Fund Balance Estimate as of 6/30/2023	\$37,285



Mamie Davis Park Fund

FY2023 PROPOSED BUDGET



Mamie Davis Park Fund

- Revenues generated from interest on a \$100,000 endowment to the town
 - Estimated at approximately \$500 annually
- Includes \$5,000 for capital projects in FY2023
- Rental revenues and utility expenses are included in the General Fund
- Approximately \$11,110 (as of 6/30/2021) is available in the account for use on expenses for Town Hall and Mamie Davis Park improvements



Proposed FY2023 Budget Mamie Davis Fund

	FY2022 Budget	FY2022 Projected	FY2023 Proposed	Increase/ Decrease (%) Over Budget	Increase/ Decrease (\$)
Fund Interest Revenue	\$500	\$500	\$500	-	-
Total Proposed Revenue	\$500	\$500	\$500	0%	\$0
Capital Projects	\$2,000	\$2,000	\$5,000	150.0%	\$3,000
Total Proposed Expenses	\$2,000	\$2,000	\$5,000	150.0%	\$2,000



Next Steps

- Work Session #2: March 15, 2022
 - Discuss Capital Improvement Program
 - Discuss Updates to Funds reviewed at First Work Session
 - Discuss Reserves
- Budget Available to Council/Public: April 1, 2022
- Work Session (if needed): April 5, 2022
- Public Hearing on Budget: April 19, 2022
- Public Hearing on Tax Rates: May 3, 2022
- Adoption of Budget and Tax Rates: June 7, 2022



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