

# FY2024 Proposed Budget

## **TOWN COUNCIL WORK SESSION**



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TOWN OF OCCOQUAN

MARCH 7, 2023

# FY2024 BUDGET SCHEDULE

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- ❑ March 7, 2023 – Budget Work Session #1
- ❑ March 21, 2023 – Budget Work Session #2
- ❑ April 4, 2023 – Budget Work Session #3 (if needed)
- ❑ April 18, 2023 – Public Hearing on Proposed FY2024 Budget
- ❑ May 2, 2023 – Public Hearing on Proposed FY2024 Tax Rates
- ❑ May 2, 2023 – Adoption of FY2024 Tax Rates and Budget
- ❑ July 2023 – Submission of Budget to GFOA



# TOWN COUNCIL PRIORITIES

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

# FY2024 PROPOSED BUDGET GUIDANCE

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- 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

# MAMIE DAVIS PARK FUND

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PROPOSED FY2024 BUDGET



# MAMIE DAVIS PARK FUND

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- Revenues generated from interest on a \$100,000 endowment to the town
  - Estimated at approximately \$500 annually
- Rental revenues and utility expenses are included in the General Fund
- Approximately \$11,492 (as of 6/30/2022) was available in the account for use on expenses for Town Hall and Mamie Davis Park improvements
- \$5,000 is projected to be expended in FY23 for improvements



# MAMIE DAVIS PARK FUND PROPOSED BUDGET

	FY2022 Budget	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Proposed	% to Projected	% to Budget	\$ to Budget
Fund Interest Revenue	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	0.0%	0.0%	-
<b>Total Proposed Revenue</b>	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	-	-	-
Capital Projects	\$ 2,000	\$ -	\$ 5,000	\$ 5,000	\$ -	-100.0%	-100.0%	\$ (5,000)
<b>Total Proposed Expenses</b>	\$ 2,000	\$ -	\$ 5,000	\$ 5,000	\$ -	-100.0%	-100.0%	\$ (5,000)

Fund Balance Estimate Mamie Davis Park Fund	
<b>Fund Balance (6/30/2022)</b>	\$ 11,492
Capital Expense FY23	(5,000)
Revenue FY23	500
<b>Fund Balance Estimate 6/30/2023</b>	\$ 6,992
Capital Expenses FY2024	-
Revenue FY24	500
<b>Fund Balance Estimate 6/30/2024</b>	\$ 7,492



# E-SUMMONS FUND

PROPOSED FY2024 BUDGET





# E-SUMMONS FUND

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- 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



# E-SUMMONS FUND PROPOSED BUDGET

	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Increase/ Decrease (%) Over Budget	Increase/ Decrease (\$) Over Budget
E-Summons Revenue	-	\$ 11,215	\$ 12,000	\$ 11,605	\$ 11,500	-4%	\$ (500)
<b>Total Proposed Revenue</b>	-	\$ 11,215	\$ 12,000	\$ 11,605	\$ 11,500	-4%	\$ (500)
Hardware/Software Maintenance	-	\$ -	\$ 1,750	\$ 1,100	\$ 4,300	146%	\$ 2,550
Operational Supplies	-	\$ -	\$ 1,400	\$ 800	\$ 1,200	-14%	\$ (200)
<b>Total Proposed Expenditures</b>			\$ 3,150	\$ 1,900	\$ 5,500	75%	\$ 2,350

e-Summons Fund Balance Estimate	
<b>Fund Balance (6/30/2022)</b>	\$ 24,059
Expense FY23	1,900
Revenue FY23	11,605
<b>Fund Balance Estimate 6/30/2023</b>	\$ 33,764
Expenses FY2024	5,500
Revenue FY24	11,500
<b>Fund Balance Estimate 6/30/2024</b>	\$ 39,764



# GENERAL FUND

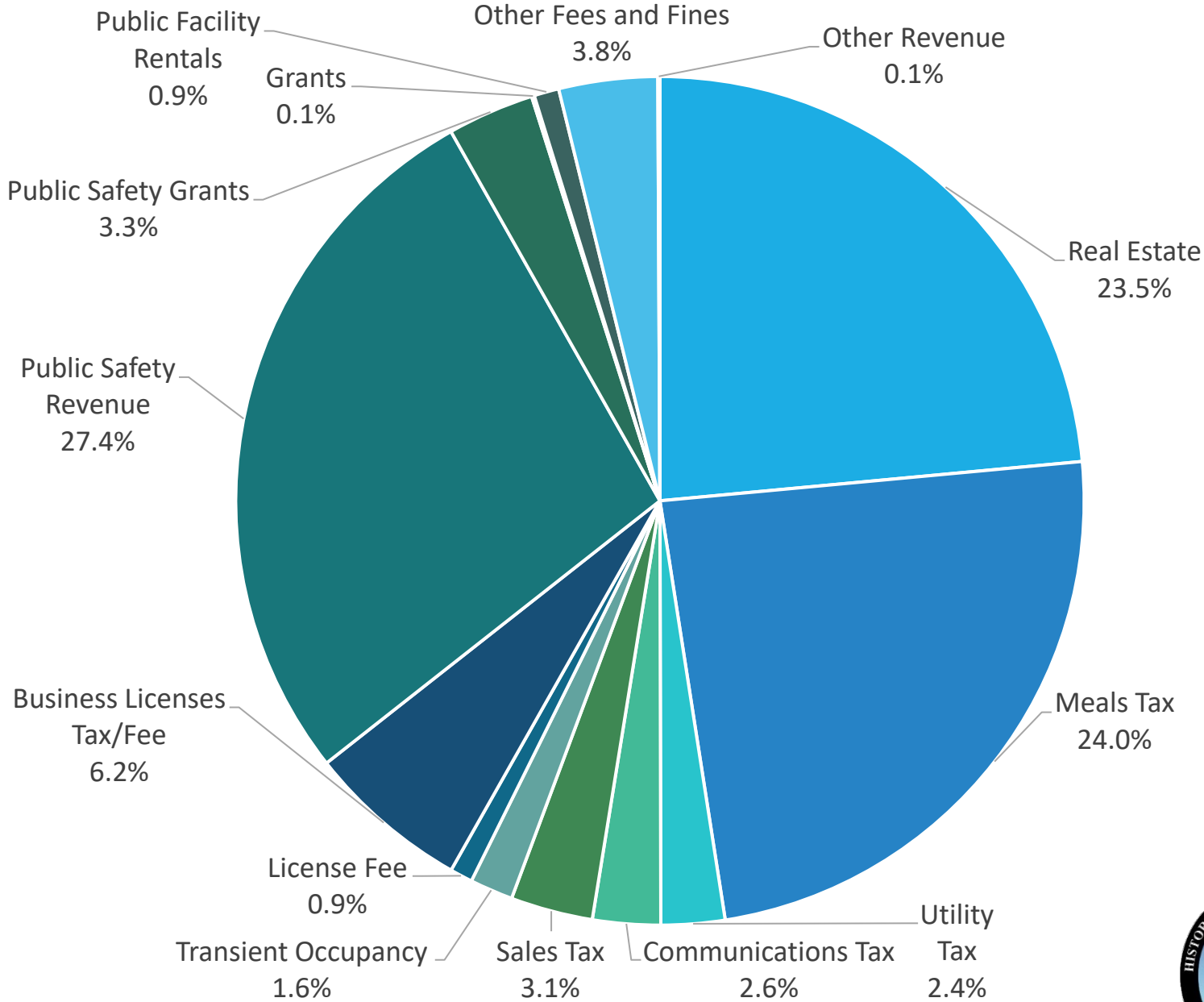
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PROPOSED FY2024 BUDGET

OPERATING FUND - REVENUES



# FY2024 PROPOSED GENERAL FUND - ALL REVENUES



# GENERAL FUND PROPOSED REVENUES

## ALL REVENUES

74.9% of General Fund Revenue:

- Public Safety Revenue
- Meals Taxes
- Real Estate Taxes



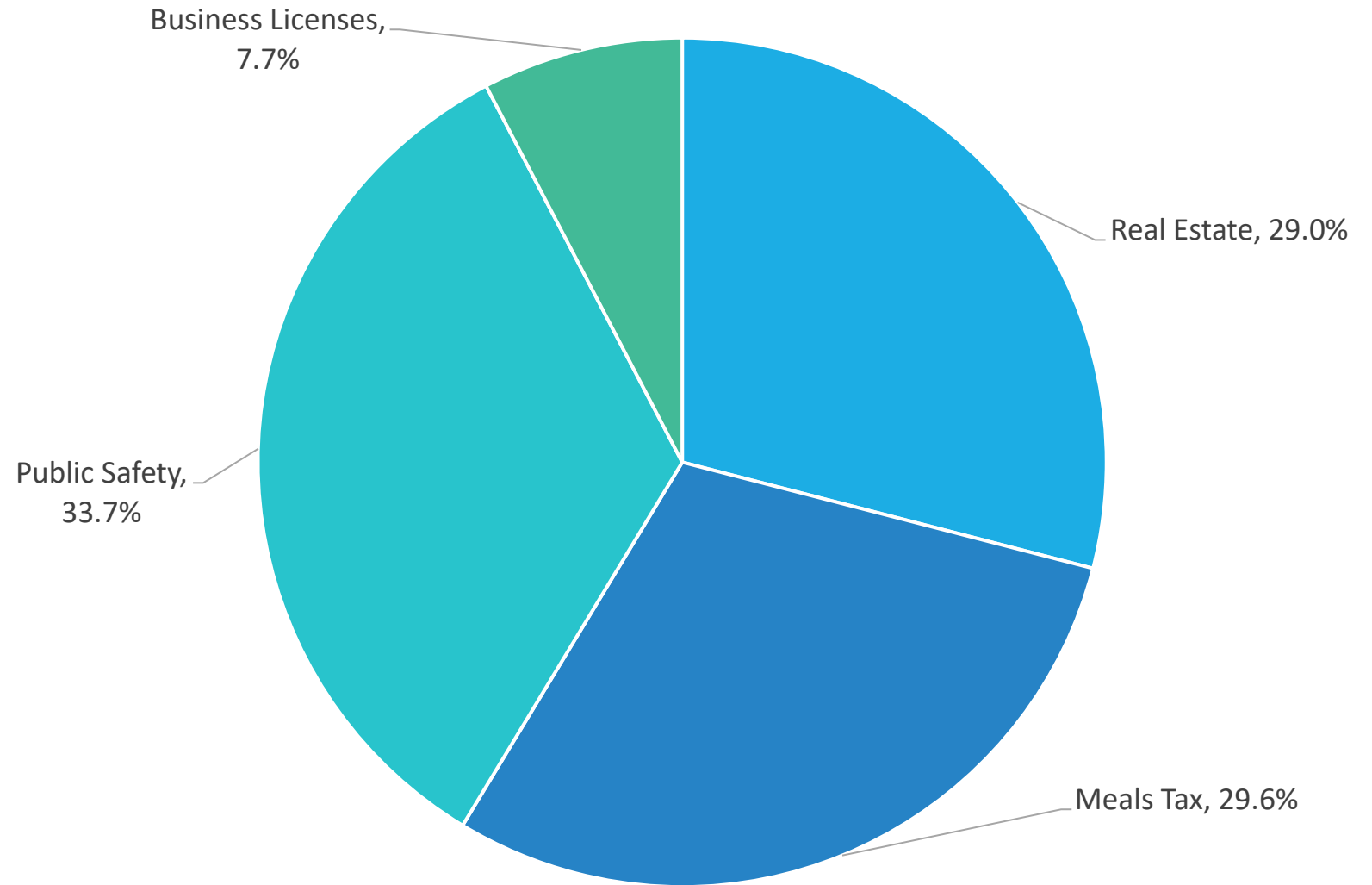
# General Fund Proposed Revenues

## MAJOR REVENUE CATEGORIES

80.8% of General Fund Revenues

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

FY2024 PROPOSED GENERAL FUND - MAJOR REVENUE CATEGORIES



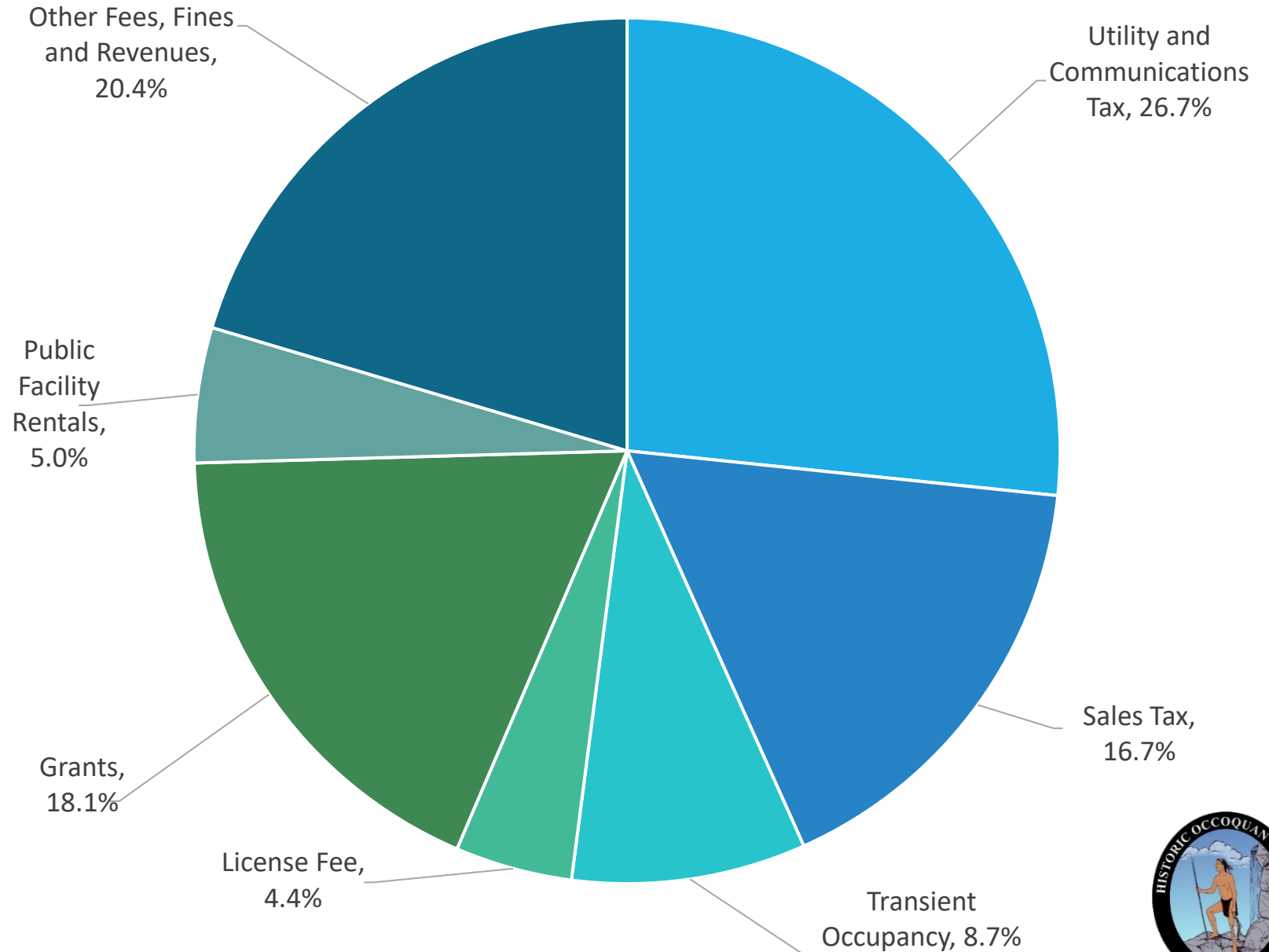
## FY2024 PROPOSED GENERAL FUND - MINOR REVENUE CATEGORIES

# General Fund Proposed Revenues

### OTHER REVENUE CATEGORIES

18.8% of General Fund Revenues

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



# GENERAL FUND PROPOSED REVENUES

## NEW REVENUE CATEGORY

.32% of General Fund Revenues

- Business license Fee



# REAL ESTATE ASSESSMENTS

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- County Assessment: 9% increase in residential properties
- County Assessment: 16% increase in commercial properties

	2022 FY2023 (Actual - Unaudited)	2023 FY2024 (Actual - Unaudited)	% Change
<i>Taxable Residential Property</i>	\$187,551,200	\$203,620,900	9%
<i>Taxable Commercial Property</i>	\$39,078,200	\$45,233,400	16%





# REAL ESTATE TAX REVENUES

- Estimates project a 9% increase over FY23 real estate tax revenues
- Budget developed based on maintaining \$0.12 RE tax rate

	2021 Assessments Actual (unaudited) FY2022	2022 Assessments Projected FY2023	2023 Assessments Proposed FY2024
<b>Tax Collectable Assessments</b>	\$206,064,748	\$229,276,922	\$250,174,722
<b>Actual/Project Collected</b>	\$253,256	\$275,132	\$300,210
<b>Adopted/Proposed</b>	\$249,189	\$275,132	\$300,210



# REAL ESTATE TAX

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- Real Estate Tax assessment figures show an average of 9% increase in assessments and would result in:
  - Lowered Tax Rate: \$0.11 (to offset increased assessment)
  - Effective Rate Increase: \$0.01072 (if tax rate is maintained)



# MEALS TAX REVENUES

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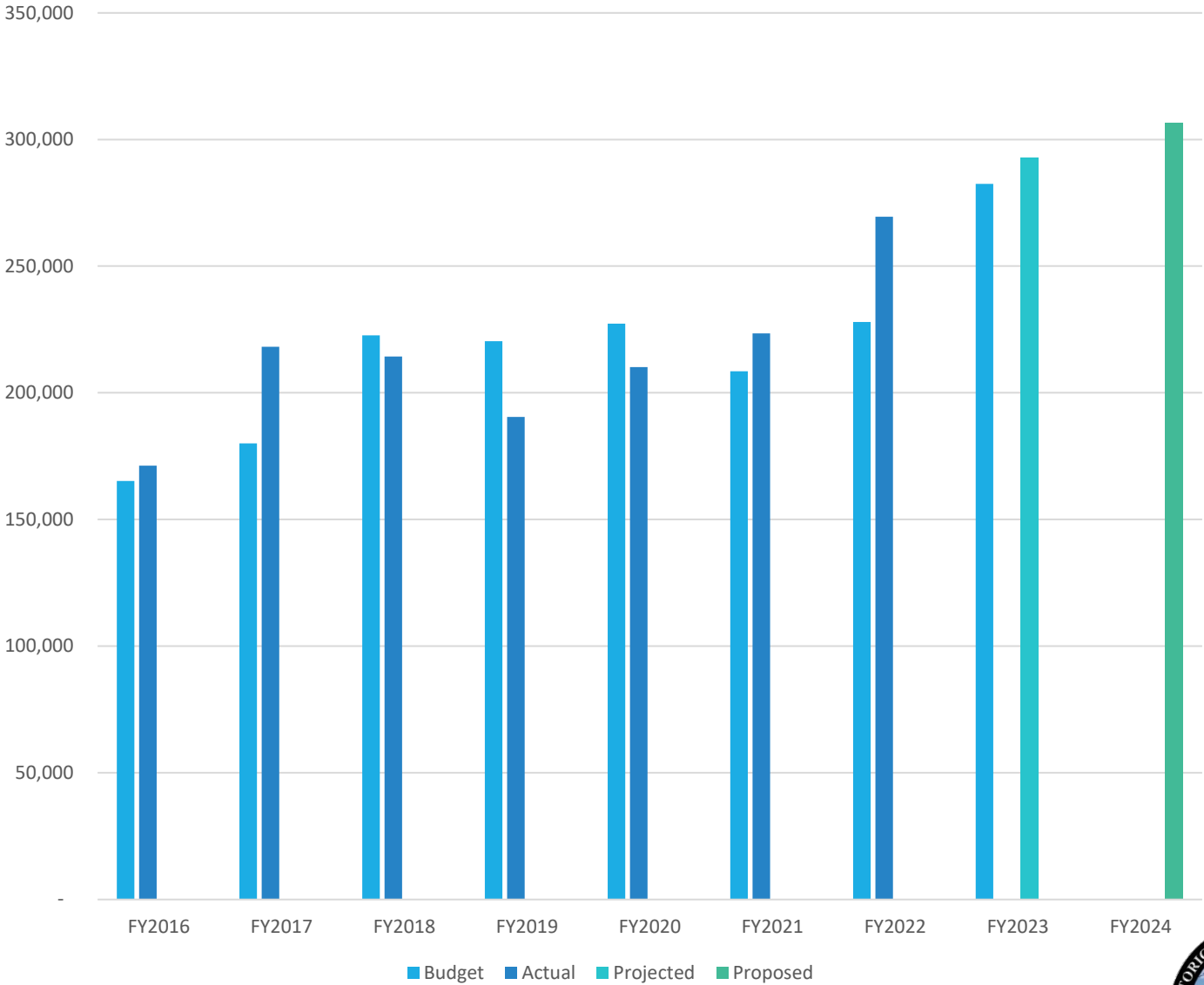
- Maintains current 3% rate (lowest in NOVA)
- Estimates based on continued economic recovery and planned additions to restaurant stock

	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Increase/ Decrease (%)	Increase/ Decrease (\$)	Increase/ Decrease projected
Meals Tax	\$ 228,000	\$ 269,502	\$ 282,499	\$ 292,849	\$ 306,549	8.5%	\$ 24,050	\$ 13,700



# Meals Tax

- Historical Information



# BUSINESS LICENSE

- Healthy business community, low vacancy rate
- Rates are comparable to County/Regional rates
- Impacts to revenue – increased promotion of business community, marketing efforts, community activities and events
- Proposing a \$30/business license fee to support Tourism

	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Increase/ Decrease (%)	Increase/ Decrease (\$)
Business Licenses	\$ 68,800	\$ 63,821	\$ 68,800	\$ 66,500	\$ 75,000	9.0%	\$ 6,200
Business License Fee					\$ 4,140		
Total Business License and Fee					\$ 79,140	15%	\$ 10,340



# SERVICE FEES

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- Development fee schedule regulates service fees
- Engineering and Zoning not cost neutral – town costs associated with engineering and zoning requirements and activities
- Legal Services are flat monthly rate for administrative legal support.



# STATE DISTRIBUTED FUNDS

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- **Communications Tax**
  - 2.2% increase to projected, 0 % to budget
- **Utility Tax**
  - (6.2%) to projected, 3.3% to budget
- **Sales Tax**
  - (2.3%) to projected; 11.1% to budget

	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Increase/ Decrease (%) Over Budget	Increase/ Decrease (\$) Over Budget
Communications Tax	\$ 35,000	\$ 33,130	\$ 33,000	\$ 32,276	\$ 33,000	-	\$ -
Utility Tax	\$ 28,800	\$ 31,403	\$ 30,000	\$ 33,046	\$ 31,000	3.3%	\$ 1,000
Sales Tax	\$ 30,000	\$ 35,047	\$ 36,000	\$ 40,959	\$ 40,000	11.1%	\$ 4,000



# TRANSIENT OCCUPANCY TAX

- Includes estimated revenue from four homestay businesses currently operating within the town
- (3.4%) to projected, 44.8% increase to budget
- Based on maintaining current rate of 7%

	FY2022 Budget	FY2022 Actual	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Increase/ Decrease (%) Over Budget	Increase/ Decrease (\$) Over Budget
Transient Occupancy Tax	\$ 11,200	\$ 14,589	\$ 14,500	\$ 21,734	\$ 21,000	44.8%	\$ 6,500





# FY2024 PROPOSED BUDGET

## GENERAL FUND TAX REVENUES SUMMARY

Revenue Category	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Change to Projected (%)	Change to Budget (%)
<i>Real Estate Tax</i>	\$275,492	\$273,507	\$300,210	9.8%	9.0%
<i>Meals Tax</i>	\$282,499	\$292,849	\$306,549	4.7%	8.5%
<i>Sales Tax</i>	\$36,000	\$40,959	\$40,000	-2.3%	11.1%
<i>Utility/Communications Tax</i>	\$63,000	\$65,322	\$64,000	-2.0%	1.6%
<i>Transient Occupancy Tax</i>	\$14,500	\$17,561	\$21,000	19.6%	44.8%
<b>Total</b>	<b>\$671,491</b>	<b>\$690,198</b>	<b>\$731,759</b>	<b>6.0%</b>	<b>9.0%</b>



# FY2024 PROPOSED BUDGET

## GENERAL FUND TAX REVENUES SUMMARY

Revenue Category	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Change to Projected (%)	Change to Budget (%)
<i>Business Licenses</i>	\$68,800	\$66,500	\$79,140	19.0%	15.0%
<i>Vehicle License Fee</i>	\$11,000	\$10,500	\$11,000	4.8%	0.0%
<i>Public Safety Fines</i>	\$345,000	\$344,474	\$349,830	1.6%	1.4%
<i>Service Revenue</i>	\$20,500	\$17,476	\$24,500	40.2%	19.5%
<i>Grants</i>	\$52,017	\$73,290	\$43,525	-40.6%	-16.3%
<i>Rentals</i>	\$12,613	\$10,333	\$12,113	17.2%	-4.0%
<i>Other Fees and Revenues</i>	\$46,125	\$35,086	\$24,500	-30.2%	-46.9%
<b>Total</b>	<b>\$556,055</b>	<b>\$557,659</b>	<b>\$544,608</b>	<b>-2.3%</b>	<b>-2.1%</b>
<b>TOTAL REVENUES</b>	<b>\$1,227,546</b>	<b>\$1,247,857</b>	<b>\$1,276,367</b>	<b>2.3%</b>	<b>4.0%</b>



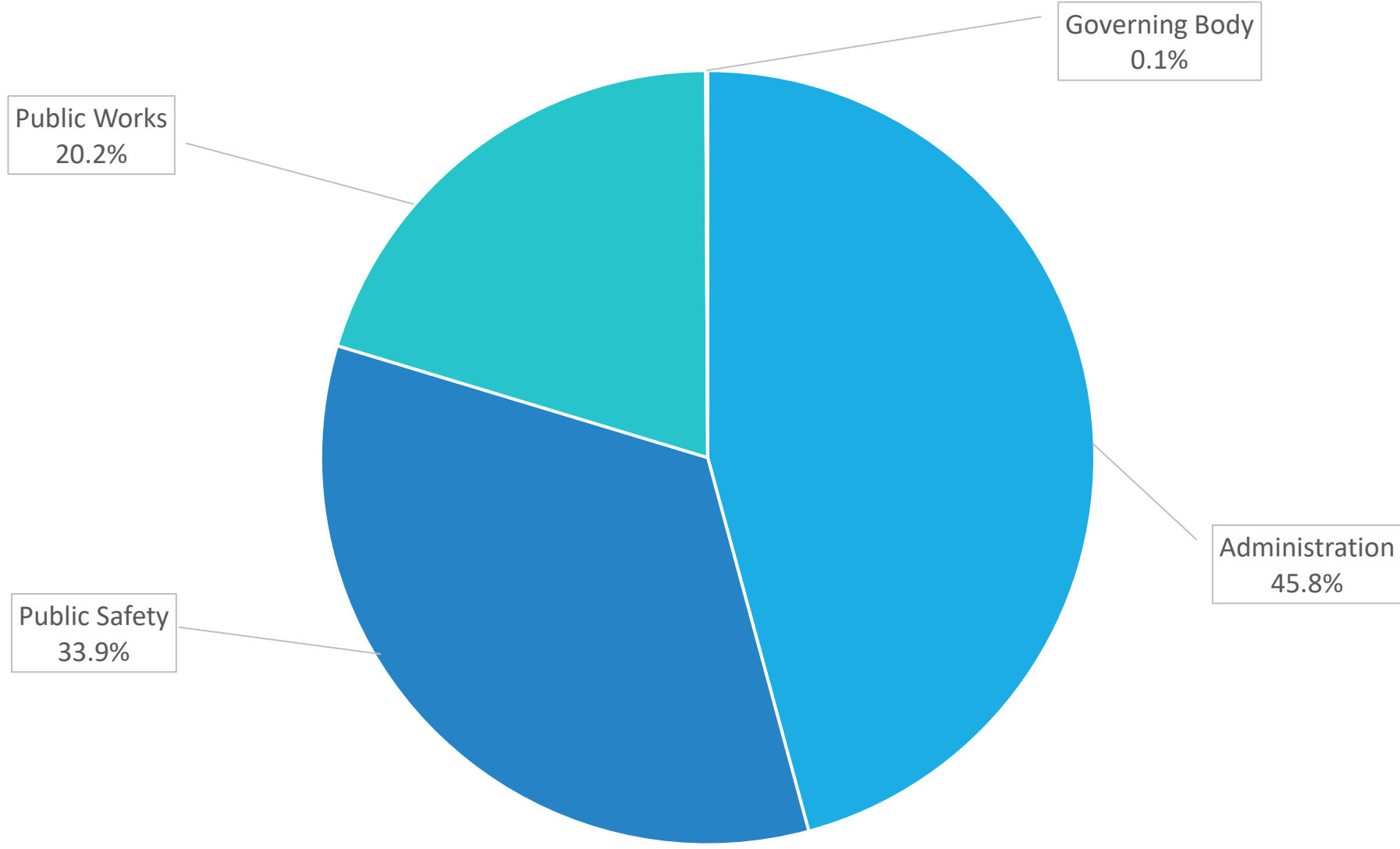
# GENERAL FUND

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PROPOSED FY2024 BUDGET

OPERATING FUND - EXPENDITURES

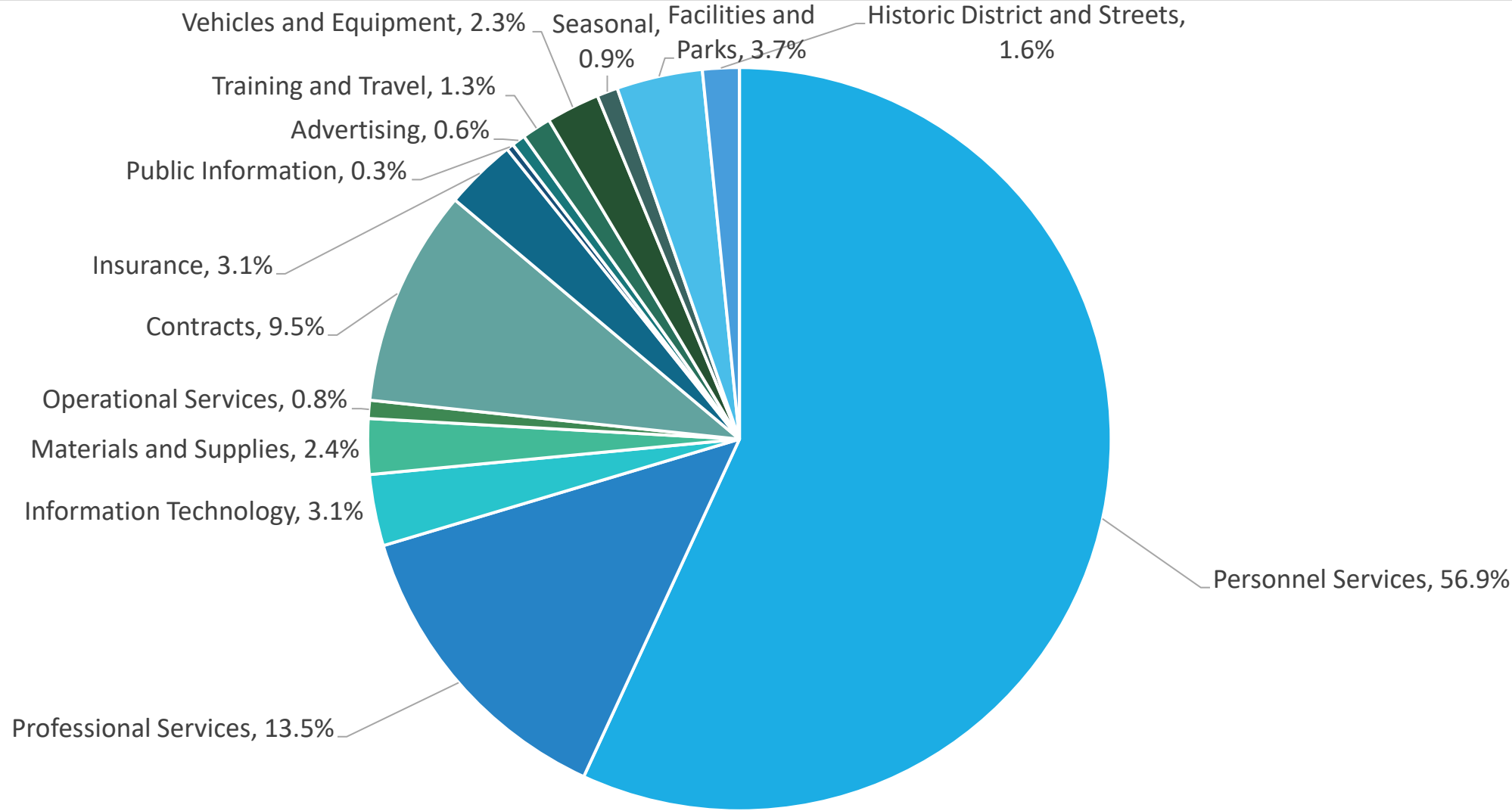




## GENERAL FUND EXPENSES

Proposed FY2024 General Fund Expenses by Activity





## GENERAL FUND EXPENSES

### Proposed FY2024 General Fund Expenses by Category



# FY2024 PROPOSED BUDGET

## GENERAL FUND EXPENSES

	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Change to Budget (%)	Change to Budget (\$)
Administration	\$560,210	\$569,923	\$591,256	5.5%	\$ 31,046
Public Safety	\$419,591	\$399,252	\$437,892	4.4%	\$ 18,301
Public Works	246,674.05	247,532.47	261,419.46	6.0%	\$ 14,745
Governing Body	\$1,072	\$1,372	\$1,072	0.0%	\$ -
<b>TOTAL</b>	<b>\$1,227,547</b>	<b>\$1,218,079</b>	<b>\$1,291,639</b>	<b>5.2%</b>	<b>\$64,092</b>



# FY2024 PROPOSED BUDGET

## PERSONNEL

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- Staffing – General Fund
  - Administration – (4 FT Staff same as FY23)
    - Town Manager – FT (Shared Position with Chief of Police)
    - Deputy Town Manager – FT (New – replacing Management Fellow)
    - Town Clerk - FT
    - Town Treasurer - FT
  - Public Safety (3 FT Staff same as FY23)
    - Deputy Chief of Police – FT (New – moved from part-time)
    - Police Officer (x2) – FT
    - Part-Time Officer Pool (1,568 hours)
    - Auxiliary Program (volunteers)
  - Public Works (1 FT Staff same as FY23)
    - Maintenance Supervisor - FT



# FY2024 PROPOSED BUDGET EXPENSE IMPACTS

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- **Organizational Adjustments**
  - Conversion of Management Fellow Position to Deputy Town Manager
- **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





# FY2024 PROPOSED BUDGET EXPENSE IMPACTS

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- **Overall**
  - Includes a Includes Employee Salary Adjustment Pool for existing employees: \$20,874
  - Overall Personnel Services proposed increase of 4.0% (including insurance and retirement increase).
- **Administration** (*overall increase of 5.4%*)
  - Conversion of Management Fellow position to Deputy Town Manager
    - Base salary impact: \$13,000 (\$50,000 to \$63,000 salary) | \$19,160 estimated impact (including benefits)
- **Operations**
  - Increase in Insurance (19.6% or \$6,610 from FY23)
  - Increase in Advertising (282% or \$5,640 from FY23)
  - Increase in Information Technology Services (19.7% or \$4,500 from FY23)



# FY2024 PROPOSED BUDGET EXPENSE IMPACTS

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- **Public Safety (Overall Increase of 4.4%)**
  - DMV Grant labor hours included in On-Call Labor and OT
    - Reimbursed Grant is \$15,375
    - Estimated Revenues: \$38,000
  - 599 Funds
    - Anticipated revenue is \$26,821 (all planned to spend in PS general fund for FY24)
- **Operations**
  - Increase in information technology services (46.9% or \$3,892 from FY23)
  - Increase in gasoline costs (53.8% or \$5,250 from FY23)
  - Decrease in On-Call Labor (PT Officers – 17.7% or -\$12,874 from FY23)



# FY2024 PROPOSED BUDGET EXPENSE IMPACTS

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- **Public Works** (*overall increase of 6.0%*)
  - Deputy Town Manager Supervisor over Public Works
  - Increase Public Works On-Call
    - Increase by 25% to \$12,500
  - Operational
    - Increased operational supplies increase 33.3% or \$2,000 from FY23
    - Increase in seasonal by 24% or \$1,700 to purchase new lights and repairs.
    - Increase in refuse collection contract of 11.7% or \$9,538 caused by fuel surcharge
    - Increase in fuel costs by 54.3% or \$1,520 from FY23
    - Increase in cleaning services by 60.5% or \$1,754 from FY23



# FY2024 PROPOSED BUDGET EXPENSE IMPACTS

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- **Governing Body**
  - Proposed Salary Increase for Council must be voted upon before next election.
  - Any proposed increase not valid until January 1, 2026.



# FY2024 PROPOSED BUDGET GENERAL FUND SUMMARY

	FY2023 Adopted	FY2023 Projected	FY2024 Proposed	Change to Budget (%)	Change to Budget (\$)
Revenues	\$1,227,546	\$1,252,030	\$1,276,367	4.0%	48,821
Expenses	\$1,227,546	\$1,218,501	\$1,291,639	5.2%	64,093
(Deficit)/Surplus	-	\$33,529	-\$15,272		

- FY 2023 projected are 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	\$0.125	\$0.13
Real Estate Taxes	\$300,210	\$312,718	\$325,227
Additional Revenue		\$12,509	\$25,017

<i>Amount included in FY2024 Proposed</i>				<i>Average of FY22 Actuals and FY23 Projected</i>			
	3%	3.25%	3.5%		3% Since FY2016	3.25%	3.50%
Meals Taxes	\$306,549	\$332,095	\$357,640	Meals Taxes	\$281,175	\$304,607	\$328,038
Additional Revenues		\$25,546	\$51,091	Additional Revenues		\$23,431	\$46,863

	7% Since FY2022	7.5%	8%
Transient Taxes	\$21,000	\$22,500	\$24,000
Additional Revenues		\$1,500	\$3,000



# MEALS TAX INFORMATION (NOVA)

Towns		County
Clifton	n/a	Fairfax
Dumfries	4%	PWC
Haymarket	4%	PWC
Leesburg	3.50%	Loudon
Occoquan	3%	PWC
Quantico	4%	PWC
Middleburg	4%	Loudon
Round Hill	n/a	Loudon
Hillsboro	4%	Loudon
Purcellville	5%	Loudon
Hamilton	4%	Loudon
Vienna	3%	Fairfax
Herndon	3.75%	Fairfax
<b>Avg 3.84%</b>		

Cities	
Alexandria	5%
Fairfax	4%
Falls Church (Restaurant Food Tax)	4%
Fredericksburg	6%
Manassas	4%
Manassas Park	4%
<b>Avg 4.5%</b>	

Counties	
Arlington	4%
Fairfax	n/a
Loudoun	n/a
Prince William	4%
<b>Avg 4.0%</b>	

<b>All Localities NOVA Average</b>	<b>4.07%</b>
<b>NOVA Cities and Towns Average</b>	<b>4.07%</b>



# NEXT STEPS

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- Direction on Revenues and Expenses
- Work Session #2: March 21, 2023
  - Discuss Events Fund
  - Discuss Capital Improvement Program
  - Discuss Updates to Funds reviewed at First Work Session
  - Discuss Reserves
- Budget Available to Council/Public: March 31, 2023
- Work Session (if needed): April 4, 2023
- Public Hearing on Budget: April 18, 2023
- Public Hearing on Tax Rates: May 2, 2023
- Adoption of Budget and Tax Rates: May 2, 2023





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