



CITY OF **FALLS**
CHURCH

FY2023 OPERATING BUDGET

and

CAPITAL IMPROVEMENTS PROGRAM

Town Hall

April 21, 2022



FY2023 Budget at a Glance

Key investments:

- ✓ **City Schools**
- ✓ **Core Government Services**
- ✓ **Work force**
- ✓ **Public Safety**
- ✓ **Walkability & Traffic Calming**
- ✓ **Flood mitigation**

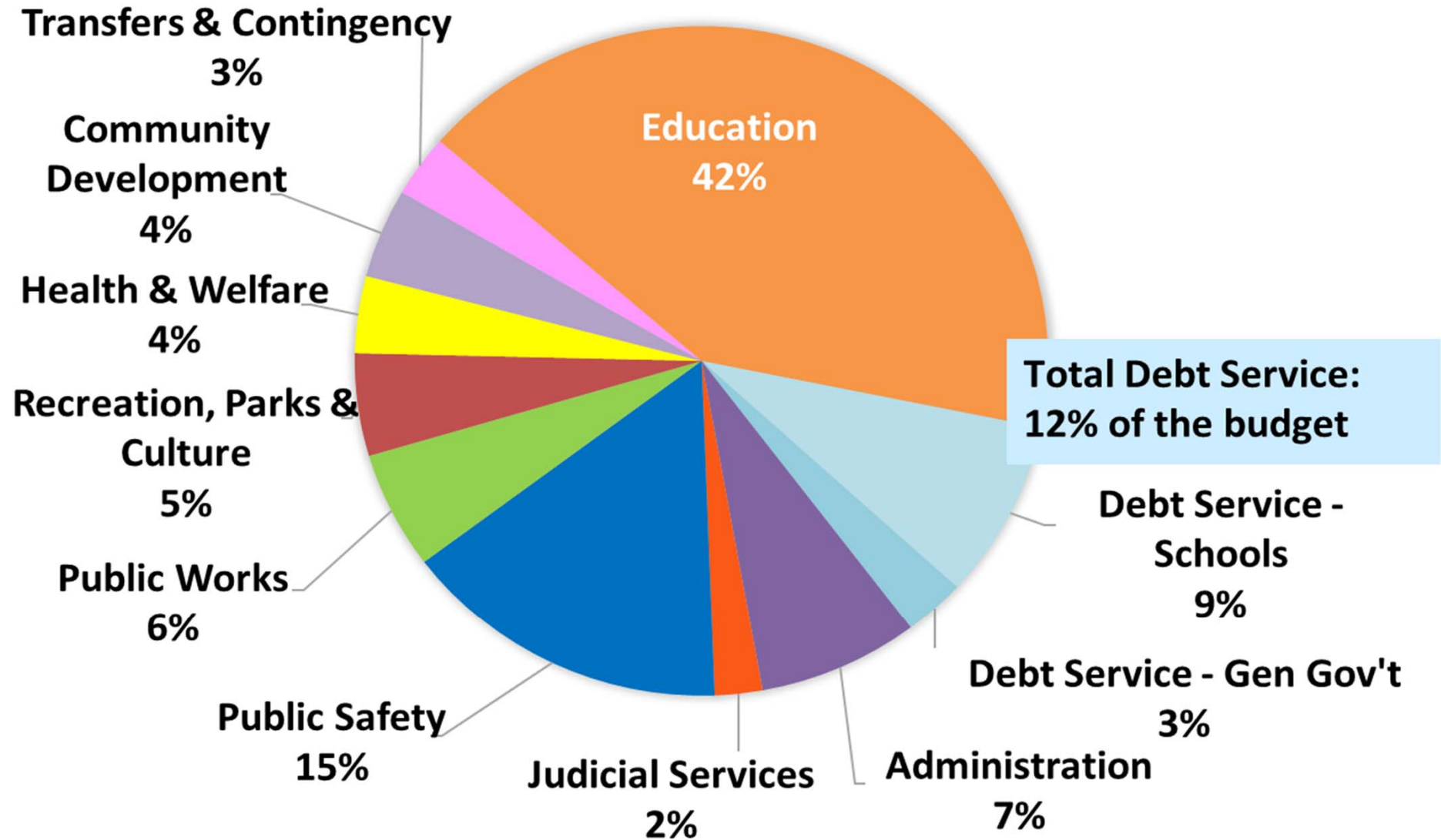
Reduces RE Tax rate by 8.5 cents

Includes \$1,020,000 Contingency

FY2023 Operating Budget

	FY2022	FY2023	\$Change	%Change
School Transfer	\$43,932,171	\$46,682,171	\$2,750,000	6.3%
General Gov't	40,843,255	43,294,362	2,451,107	6.0%
Contingency	-	1,020,000	1,020,000	
Afford. Housing	100,000	100,000	-	0.0%
Pay As You Go	-	550,000	550,000	
Permit Reserve	448,000	1,114,300	666,300	148.7%
Pension ROI	-640,000	-640,000	-	0.0%
Debt Service	14,217,748	12,944,309	(1,273,439)	-9.0%
Capital Reserve	5,810,000	5,170,000	(640,000)	-11.2%
ARPA Operating	-	1,389,381	1,389,381	-
Total	\$104,711,174	\$112,644,523	\$7,933,349	7.6%

OPERATING EXPENSES \$112,644,523



Public Safety

- ✓ **Two Officers converted to Civilian in FY22:**
 - ✓ **Director of Emergency Management**
 - ✓ **Civilian on Command Staff**
 - **Use of Force Review Committee Recommendations**
 - **Accreditation**
 - **Training**
- ✓ **Budget restores two Police Officer positions**
 - ✓ **School Resource Officer**
 - ✓ **Traffic Patrol Officer**
 - ✓ **34 Uniformed Officers**

Building Safety

Use of Building Permit Reserve \$1.1M

✓ 6 NEW FTEs:

Shorten Permit Review times

Walk through permitting for smaller projects

Site plan and construction management compliance for major projects

✓ Permit Reserve cover these new positions for minimum of 3 years

Mobility and Accessibility

(Primarily Grant Funded)

Under Design

- ✓ Park Ave Great Street \$8.3M
- ✓ Shreve Road Safe Route to School \$6.9M
- ✓ S. Oak Street Bridge \$2.4M
- ✓ Greening of Lincoln \$2.5M
- ✓ Sidewalks, Bus Shelters and NTC \$1.5M
 - ✓ \$100k local, 1.4M ARPA

Mobility and Accessibility

(Primarily Grant Funded)

Contract Awards in FY2023:

- ✓ N. Wash & Columbia St \$1.2M
- ✓ Broad Street HAWK signals \$1.6M
- ✓ W&OD Crossings \$1.6M
- ✓ Annandale & S. Maple \$1.7M

Equity & Inclusiveness

- ✓ Affordable housing \$100K
- ✓ Community Services Fund \$150K ARPA
- ✓ Household assistance \$150K ARPA
- ✓ Capital Area Foodbank \$175K ARPA
- ✓ Rehab VA Village \$74K CDBG

Small Town Character

- ✓ **Downtown Improvements** **\$75K**
 - Continue use of Hotel Tax
- ✓ **Park Improvements** **\$150K**
- ✓ **Business Assistance** **\$500k (ARPA)**
- ✓ **Deputy Registrar of Elections**
Convert from part-time to full time

Responsive & Accountable Government

✓ Investment in Workforce

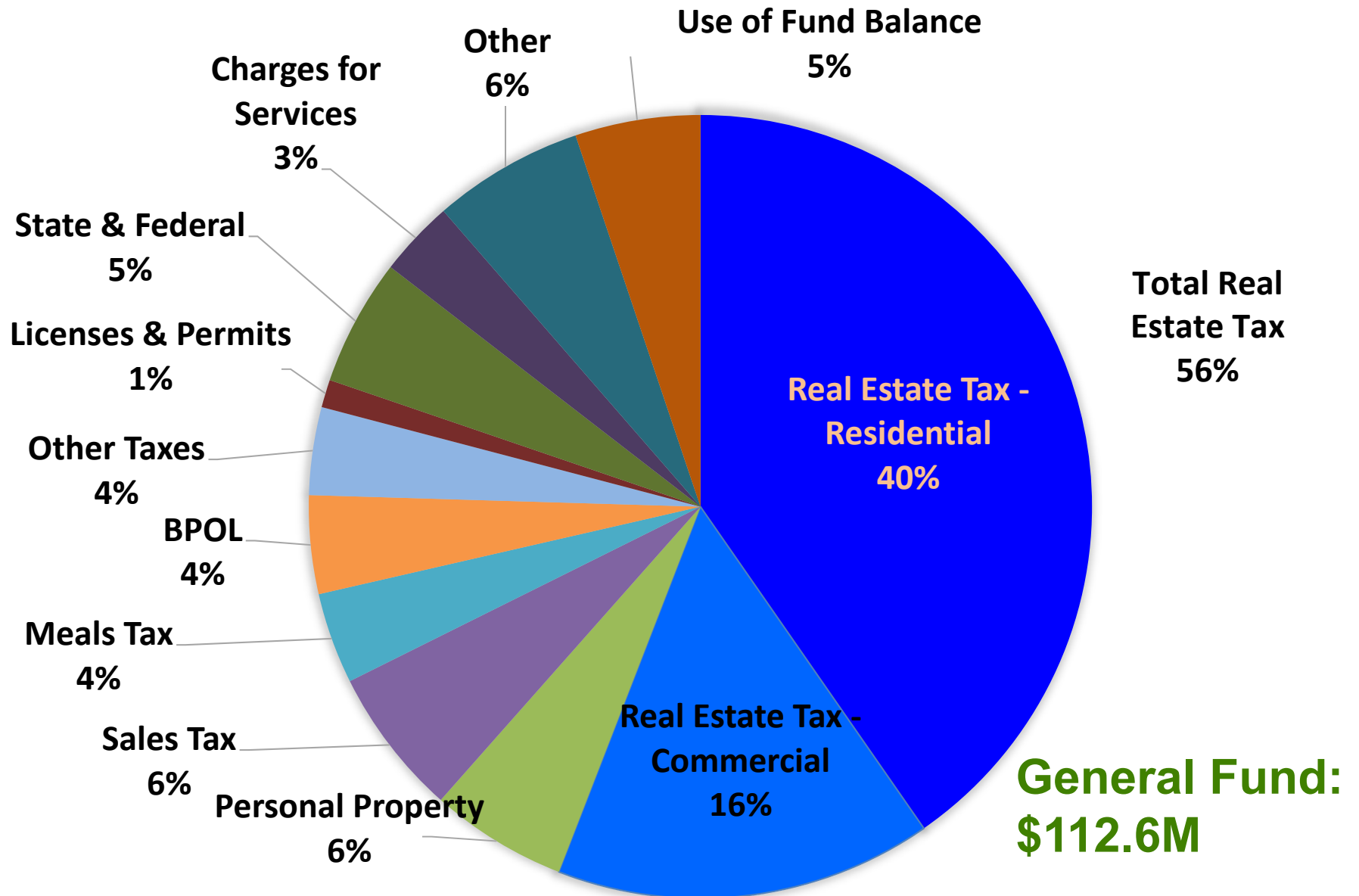
- ✓ FY2022 3% mid-year adjustment
- ✓ FY2023 Merit increase 4% for City employees
- ✓ Compensation Study Reserve \$200k
- ✓ Training & Professional Development \$35k

FY23 ARPA:

CIP	
Sidewalks and Bus Shelters	\$1,400,000
Community Center HVAC	1,000,000
Stormwater Projects	\$7,000,000
Operating	
Community Services Fund	\$30,000
Refugee Settlement, Rental Assistance	\$50,000

ARPA: American Rescue Plan Act of 2021

OPERATING REVENUES



Assessed Values (AV)

Single Family: + 14.4%

Townhouses: + 11.6%

Condos: + 12.3%

Commercial: + 2.6%

Apartments: + 12.4%

Overall: + 11.4%

Overall growth: 13.7%

- **Market: 13.2%**
- **New Constr. 0.5%**

Overall growth: 5.7%

- **Market 4.5%**
- **New Constr. 1.2%**

Total AV: \$ 5.1B

Total AV Growth: \$ 523.2M

New Construction: \$ 34.6M

Proposed Real Estate Tax Rate

Current rate: \$1.32

Proposed rate: \$1.235

Reduction: 8.5 cents

Average Homeowner:

- 8.5 cents = \$731 reduction**
- \$635 (6%) increase in tax bill**

Senior Tax Relief

Percentage Relief	CURRENT Gross Income Limits	PROPOSED Gross Income Limits	CURRENT Net Worth Limit	PROPOSED Net Worth Limit
100%	\$0-\$41,280	\$0 - \$60,000	\$400K	\$400K
75%	\$41,281-\$61,290	\$60,001 - \$70,000	\$400K	\$400K
50%	\$61,291-\$65,850	\$70,001 - \$80,000	\$400K	\$400K
25%		\$80,001 - \$90,000		\$400K
DEF ONLY	\$65,851-\$103,200	\$90,001 - \$110,000	\$400K	\$400K
DEF ONLY	\$0-103,220	\$0 - \$110,000	\$401K - \$540K	\$401K - \$600K
DEF ONLY	If AV > 125% of City's Avg AV; and Income < \$103,220	If AV > 125% of City's Avg AV; and Income < \$110,001		

Commercial and Industrial Tax

PROPOSAL: C&I Tax of 5 cents

- Commercial Property only
- Generates \$420K
- Only for Transportation
 - WMATA, Sidewalks

City Council has indicated lack of support for this proposal

Car Tax

Current Rate: \$5.00/\$100 AV

- **Overall avg 28% AV increases**
- **Proposed Budget: 6.6% growth**
- **\$1.4M surplus at \$5.00 rate**
- **Options**
 - **Reduce assessment to 85% of value**
 - **Reduce tax rate by \$0.70 cents to \$4.30**
 - **No change, use for one time expenses**

Stormwater Fund

FY2023 Rate: \$19.28 (3% increase)

- **For Median Homeowner:**
 - \$7 increase from \$235 to \$242
- **Federal grant avoids rate increases that would have resulted from the SWTF projects.**

CIP

- **6 Flood Control Projects**
- **Green Infrastructure**

**\$7.0M from
federal ARPA**

SWTF = Stormwater Task Force

Sanitary Sewer Fund

FY2023 Rate: \$10.17 (3% increase Proposed)

- **First rate increase since 2016**
- **Residential bill: \$3.60 increase per quarter**

6-YR CIP

- **Treatment plant upgrades \$995K**
- **Purchase of Treatment Capacity \$3.0M**
 - **Using “Availability Fees” paid by developers**

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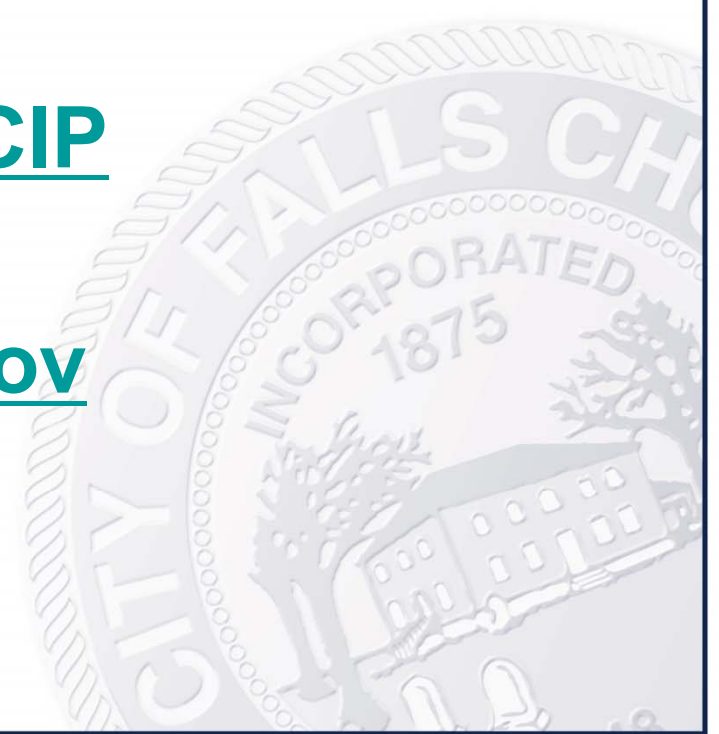
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Includes \$1,020,000 Contingency

Public Information & Comment

- Find Budget Presentations and data
www.fallschurchva.gov/budget
- CIP Resources
www.fallschurchva.gov/CIP
- Send comments to
budget@fallschurchva.gov

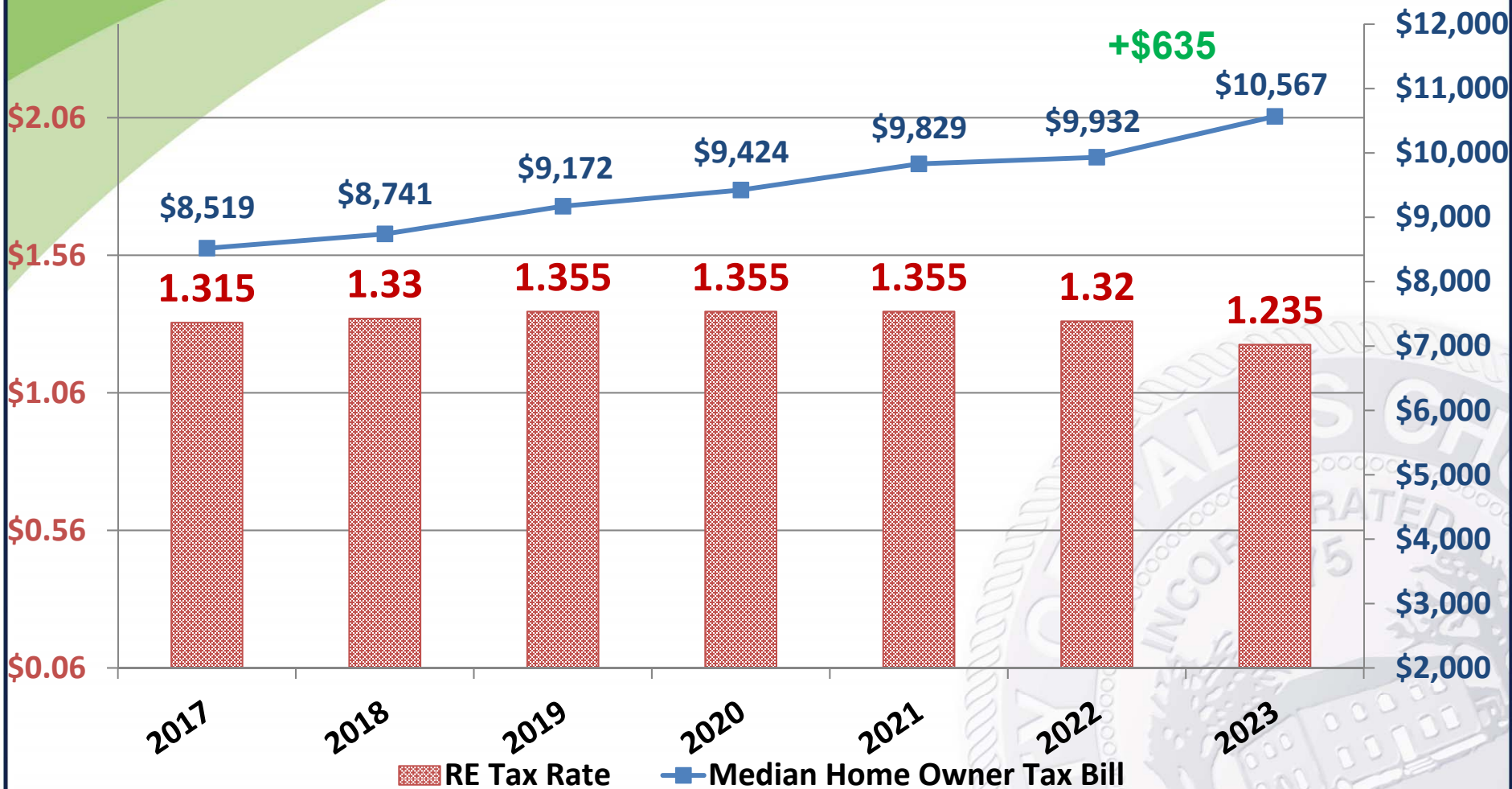


Schedule

- **March 28:** Budget presentation
- **April 11, 7:30 pm:** 1st Reading Budget, Tax Rate, Sanitary Sewer Rate, and Stormwater Rate Ord.
- **April 25, 7:30 pm:** Public Hearing
- **May 2, 7:30 pm:** Public Hearing & Final Adoption

www.fallschurchva.gov/Budget-Calendar

Median Home Owner RE Tax Bill



+\$635

FY2023 median home value: \$883,300

Regional AV Growth

Jurisdiction	Commercial	Multi-Family	Residential	Overall
Falls Church	2.6%	12.4%	13.7%	11.4%
Arlington	0.60%		5.8%	3.4%
Alexandria	5.3%	10.3%	6.9%	6.3%
City of Fairfax	2%	19.0%	8.8%	7.7%
Fairfax County	3.4%		10.4%	8.6%
Loudoun County	27.2%	10.1%	16.5%	18.3%
Prince William	18.4%	16.5%	13.5%	14.1%

Local Revenues

	FY2023	\$Change	%Change
Real Estate	\$62,956,000	\$2,627,000	4 %
Personal Property	6,357,500	392,500	6.6 %
Sales Tax	6,891,000	791,000	13 %
Meals Tax	4,236,000	1,251,000	42 %
BPOL Tax	4,575,000	1,281,950	39 %
Other Taxes	4,078,000	614,800	18%

FY2023 PROPOSED BUDGET

Regional RE Tax Rate Changes

(Proposed Budgets - rates shown may change)

Falls Church	- 8.5 cents
Alexandria	- 2 cents
Arlington	No change
Fairfax	No change
Fairfax City	- 4 cents
Loudoun	- 8.5 cents
Prince William	- 6.5 cents