



NEWS RELEASE

Proposed FY 2024 Budget Presented to Herndon Town Council

Public Hearings Scheduled for April 11, April 25

Herndon, VA (March 31, 2023) – Herndon Town Manager William H. Ashton II has proposed a Fiscal Year (FY) 2024 Budget of \$62,506,305, a nine percent increase from the adopted FY 2023 Budget. The town’s FY 2024 begins July 1, 2023, and extends to June 30, 2024.

“The dual pressures of inflation and a tight labor market, evident in communities across the country, are certainly felt here in Herndon,” said Ashton. “Nevertheless, and through careful fiscal management, the proposed FY 2024 Budget allows for continuation of the programs and services town citizens expect and enjoy, as well as funding for new initiatives, chief among them preparatory work on the town’s Comprehensive Plan.”

Most town taxes and fees in the Proposed FY 2024 Budget remain unchanged from the current fiscal year. “While most property owners will receive higher tax bills in FY 2024 due to rising real estate values, the town’s proposed real estate tax rate remains at \$0.2650 per \$100 of assessed value, a rate that has held steady for more than a decade,” Ashton said. Increases are proposed for water and sewer rates, attributed to higher treatment and commodity costs.

Additionally, and as part of the American Rescue Plan Act (ARPA) the town received a distribution from the Federal Government totaling \$25.5M. The legislation stipulates that all funds must be obligated by December 31, 2024, and spending completed by December 31, 2026. Through FY 2022 and FY 2023 Budget amendments, funds have been appropriated, enabling the town to complete previously deferred maintenance projects, vehicle purchases, and critical water-sewer infrastructure.

The proposed FY 2024 Budget is available in interactive detail on the town’s website, at [Herndon-va.gov/Budget](https://herndon-va.gov/Budget). A comprehensive accounting of the proposed budget is presented, including narratives, charts and graphs that are easily navigated and accessible to all. The interactive tool allows taxpayers to enter their personalized tax amounts and see how their taxes are allocated.

By law, the Herndon Town Council must adopt a FY 2024 Budget by June 30, 2023, with enactment to begin on July 1, 2023, the first day of the new fiscal year. The council will hold two public hearings on the proposed budget, on **Tuesday April 11 and Tuesday April 25**, both beginning at 7pm in the Ingram Council Chambers. Comments may also be submitted online at [Herndon-va.gov/Budget](https://herndon-va.gov/Budget) or via email at budget@herndon-va.gov.

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Proposed FY 2024 Budget At-a-Glance

Total Budget Expenditures

\$62,506,305 for all funds (General Fund, Water and Sewer Fund, Golf Course Fund, Chestnut Grove Cemetery Fund and the Capital Projects & ARPA Fund). The total reflects an increase of 9.0 percent from the FY 2023 adopted budget of \$57,331,154.

General Fund Total Expenditures

FY 2024 General Fund expenditures are \$ 41,036,111, an increase of \$3,839,290, or 10.3 percent, over the FY 2023 General Fund adopted budget expenditures of \$37,196,821. This includes personnel, operations and maintenance, debt service and minor capital.

Real Estate Tax Rate

Remains at \$0.2650 per \$100 of assessed value.

One Penny on the Real Estate Tax Rate

Equivalent to approximately \$524,852 in tax revenues (includes assessed value of public service corporations and real property assessments).

Average Residential Property Value

Projected at \$507,300. Average Residential Real Estate Tax Bill \$1,344.35 based on \$0.2650 per \$100 assessed value.

Personal Property Tax Rate

Remains at \$0.00 per \$100 assessed value.

Meals Tax

Remains at 3.75 percent.

Cigarette Tax

Remains at 75 cents per pack.

Business Professional and Occupational License Tax

All classifications and thresholds remain at the current amounts.

Motor Vehicle License Fee

Remains at \$25 for private passenger and other vehicles weighing less than 4,000 lbs., and \$32 for vehicles weighing in excess of 4,000 lbs.

Consumer Utility Tax

Tax based on the purchase of utility services within the corporate limits of the town. The amount of the tax for residential consumers contains a monthly cap of \$3 per utility.

Sewer Service Rate

Increased from \$7.16 in FY 2023 to \$8.27 per 1,000 gallons of water consumption in FY 2024. The quarterly service charge per bill rendered shall be \$10.21.

Sewer Availability Fee

Remains at \$10,800 for new, single-family homes.

Sewer Lateral Repair and Replacement Program

Remains at \$2 per year (\$0.50 per quarter).

Water Service Rate

Increased from \$3.31 in FY 2023 to \$3.47 per 1,000 gallons of water consumption in FY 2024.

The quarterly service charge per bill rendered shall be \$12.57. All water consumed during the peak use periods in excess of the average consumption of the preceding two winter quarter billing periods shall be charged an additional amount of \$5.91 per 1,000 gallons.

Water Availability Fee

Remains at \$7,800 in FY 2024 for new, single-family homes.

Recycling Fee

Remains in FY 2024 at \$64 per year (\$16 per quarter).

Personnel

Personnel costs for all funds total \$31,566,080 an increase of \$1,268,722 or 4.2% when compared to FY 2023 adopted budget.