

**FY 2024 Budget Work Session Agenda
Staunton City Council
Rita S. Wilson Council Chambers
April 6, 2023
5:00 p.m.**

Call to Order

- 1. Update from City Assessor**
- 2. Major General Fund Revenue Comparison and History**
- 3. Overview of FY 2024 Proposed Budget—Financial Presentation**
- 4. 10-Year Budget History**
- 5. Questions and Staff Follow Up**

Adjournment

CITY OF STAUNTON REVENUE COMPARISON FY2018-2024

MEALS TAX - 7% Tax Rate

	6% TAX RATE	7% TAX RATE	7% TAX RATE	7% TAX RATE	7% TAX RATE	7% TAX RATE	7% TAX RATE
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*	FY2024
Actuals	4,118,267	4,727,323	4,547,853	4,715,726	5,809,981	6,212,036	
Budget	3,200,000	4,112,500	4,600,000	3,562,500	4,300,000	5,358,050	5,785,000
Budget Variance	918,267	614,823	(52,147)	1,153,226	1,509,981	853,986	
% of BUDGET	128.7%	115.0%	98.9%	132.4%	135.1%	115.9%	

LOCAL SALES TAX HISTORY - 1% Tax Rate

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*	FY2024
Actuals	4,123,862	4,434,974	4,855,331	5,018,212	5,484,719	5,896,835	-
Budget	4,100,400	4,015,000	4,300,000	3,393,750	4,662,500	5,275,000	5,500,000
Budget Variance	23,462	419,974	555,331	1,624,462	822,219	621,835	
% OF BUDGET	100.6%	110.5%	112.9%	147.9%	117.6%	111.8%	

LODGING TAX - 6.7% Tax Rate

TAX RATE	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%	6.70%
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*	FY2024
Actuals	677,917	874,948	785,605	713,445	1,208,260	1,325,570	-
Budget Totals	575,000	890,000	890,000	836,000	760,000	968,000	1,250,000
Budget Variance	102,917	(15,052)	(104,395)	(122,555)	448,260	357,570	
% of BUDGET	117.9%	98.3%	88.3%	85.3%	159.0%	136.9%	

BUSINESS LICENSES

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*	FY2024
Actuals	2,216,754	2,353,732	2,444,937	2,619,066	2,741,890	2,792,466	-
Budget	2,151,000	2,200,000	2,200,000	1,650,000	2,040,000	2,250,000	2,400,000
Budget Variance	65,754	153,732	244,937	969,066	701,890	542,466	
% OF BUDGET	103.1%	107.0%	111.1%	158.7%	134.4%	124.1%	

PERSONAL PROPERTY TAX

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023*	FY2024
Actuals	5,289,547	5,455,821	5,866,658	6,079,874	6,334,718	6,908,115	-
Budget	4,777,500	5,015,000	5,275,000	5,217,000	5,525,000	6,055,000	6,400,000
Budget Variance	512,047	440,821	591,658	862,874	809,718	853,115	
% OF BUDGET	110.7%	108.8%	111.2%	116.5%	114.7%	114.1%	

*FY2023 are projected figures.



**City Manager's Proposed Budget
FY 2023-2024
City Council Budget Work Session**

April 6, 2023

Overall Proposed Budget

July 1, 2023—June 30, 2024

Total proposed budget is **\$152,355,651** for all funds

◆ \$9.4 million (or 6.6%) increase over FY2023

General Fund proposed budget is **\$69,264,351**

◆ \$4.1 million (or 6.2%) increase over FY2023



New School Funding Formula in Place

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- A horizontal decorative bar consisting of eleven rectangular segments in various colors: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and dark green.
- **The new funding formula is in place and it is working! The funding formula uses audited numbers and not projections. It relies heavily on real and property taxes, which provide for a more stable revenue figure for schools.**
 - **Local Contribution to the Schools for FY2024 is fully funded using the new funding formula.**
 - FY2024 Local School Contribution- \$15,970,171
 - FY2024 increase of \$904,934 or 6.01% higher than prior year (equivalent to .03 cent on real estate rate)
 - 26.559% of property taxes and 6.005% of other local revenue feeds into the school funding formula



FY2024 Proposed Budgeted GF Revenues

CITY OF STAUNTON
GENERAL FUND REVENUES
Summary Comparison of FY 2022, 2023, 2024

	FY 2022 ACTUAL	FY 2023 BUDGET	FY 2024 BUDGET	FY 2024 \$ VARIANCE	% of FY2024 Budget
General Property Taxes	\$ 29,012,709	\$ 28,501,011	\$33,252,511	\$ 4,751,500	48.0%
Other Local Taxes	18,939,371	17,233,830	18,401,500	1,167,670	26.6%
Commonwealth of Virginia	11,970,026	13,218,468	12,983,352	(235,116)	18.7%
Current Service Charges	1,904,844	1,896,693	1,685,786	(210,907)	2.4%
Federal Government	1,363,144	1,580,640	1,239,852	(340,788)	1.8%
Licenses and Permits	209,732	201,950	200,650	(1,300)	0.3%
Recovered Costs	1,204,133	1,177,000	1,154,000	(23,000)	1.7%
Fines and Forfeitures	209,021	237,500	208,500	(29,000)	0.3%
Use of Money and Property	23,828	109,200	109,200	-	0.2%
Miscellaneous	155,565	1,036,648	29,000	(1,007,648)	0.0%
Total Revenues	\$ 64,992,373	\$ 65,192,940	\$69,264,351	\$ 4,071,411	100.0%

FY2024 Proposed Budgeted GF Expenditures

CITY OF STAUNTON FY 2024 GENERAL FUND EXPENDITURES

	FY 2022 ACTUALS	FY 2023 BUDGET	FY 2024 BUDGET	\$ VARIANCE	% CHANGE
TRANSFER TO EDUCATION	\$ 13,630,476	\$ 15,065,237	\$ 15,970,171	\$ 904,934	6.0%
PUBLIC SAFETY	13,134,548	14,928,984	16,110,574	1,181,590	7.9%
HEALTH AND WELFARE	6,080,600	7,912,638	7,374,026	(538,612)	-6.8%
PUBLIC WORKS	6,534,366	6,385,690	6,554,554	168,864	2.6%
GENERAL GOVERNMENT ADMIN	6,228,118	6,749,357	7,298,548	549,191	8.1%
RECREATION, PARKS, LIBRARY	3,673,966	4,160,736	4,392,841	232,105	5.6%
DEBT SERVICE	4,844,415	4,444,415	5,591,903	1,147,488	25.8%
JUDICIAL ADMINISTRATION	2,643,015	2,734,688	2,872,144	137,456	5.0%
TRANSFER TO CITY CIP FUND*	7,257,050	-	-	-	#DIV/0!
COMMUNITY DEVELOPMENT	2,141,127	2,802,195	3,090,590	288,395	10.3%
TRANSFER/OTHER	14,701	-	-	-	#DIV/0!
EDUCATION AGENCY CONTRIBUTIONS	9,000	9,000	9,000	-	0.0%
TOTAL GENERAL FUND EXPENDITURES	\$ 66,191,382	\$ 65,192,940	\$ 69,264,351	\$ 4,071,411	6.2%

*FY2024 CIP will be funded with carry over funds from FY2023.

General Fund Expenditure Details—Operating

- ◆ All new equipment requests in the General Fund remain unfunded.
- ◆ Major Drivers Outside Our Control:
 - **\$1,147,488 Additional Debt Funding** – allows us to fully fund our current debt service and a small portion of future debt service for the JDR Court relocation
 - **\$904,934 Additional Education Funding** - per the new formula
 - **\$231,158 Increase in funding for regional jail** - due to an increase in Staunton's share of the population
 - **\$222,448 Increase in funding for the regional detention center** - due to the federally subsidized program ending
 - **\$89,141 Increase in funding for the regional animal shelter**

These five items account for 64% of the increase in total General Fund revenue.

Expenditure Details—Personnel

- ◆ Effective July 1, 2023 – **5% cost of living increase** for all full and part time city employees.
 - Comparable employers proposing **5% or more COLA for FY2024**: State of Virginia, Waynesboro City, Augusta County, Staunton City Schools, Rockingham County, Rockbridge County, Charlottesville
- ◆ **Phase one of Pay and Compensation Plan Implementation** - \$172,425 for General Fund; includes adjustment to minimums and select few compression adjustments.
- ◆ **Built in Attrition Savings** - \$300,000
- ◆ **Health Insurance** –increase of 10% overall as of January 1, 2024; **increase of 10% for employee paid premiums also.**
- ◆ **New full time positions** proposed:
 - 1 Reinstate Director of Community Development position from FY2017 (prev. called Director of Planning)
 - 2 Water Fund - Water Treatment Plant staff to satisfy state requirements



FY 2024 Capital Improvement Plan

\$5.5 M

Funded from FY2023 Budget Amendment \$850,000

- \$300,000 Fire Truck Reserve
- \$225,000 Restore Old Pumphouse at Gypsy Hill Park
- \$125,000 Bike and pedestrian projects
- \$100,000 Install Lights at Dog Park
- \$100,000 Greenways projects

Funded from Virginia Department of Transportation and the CIP reserves \$1,400,000

- \$1,400,000 Pedestrian Corridor Improvements on Churchville Ave

Funded from Virginia Department of Transportation

- \$1,111,524 Pedestrian Infrastructure Improvements

Capital Improvement Plan

\$5.5 M

Funded from FY2024 Budget Amendment (potential FY2023 carry over), \$2,186,050 (*see note below*)

- \$ 40,000 Fire-Rescue Department breathing apparatus and cardiac monitors
- \$100,000 New sidewalk projects
- \$100,000 Public Works equipment fund
- \$100,000 Public Works building fund
- \$ 41,050 Annual Share of Blue Ridge Community College Capital Building Fund
- \$100,000 School CIP reserves
- \$100,000 Ineligible streets/City parking lots
- \$140,000 Adaptive traffic control
- \$100,000 CAD/RMS System
- \$ 90,000 Gypsy Hill Park Bathrooms

Continued on next slide

Capital Improvement Plan

\$5.5 M

Funded from FY2024 Budget Amendment (potential FY2023 carry over), \$2,186,050 (*see note below*) continued

- \$160,000 Montgomery Hall Park Soccer Field Lights
- \$ 65,000 Library Space Study
- \$200,000 Replace Core Network Router
- \$150,000 Update Nutanix Cluster Hardware
- \$100,000 Extend Fiber Optic Network at Montgomery Hall Park.
- \$600,000 Renovate Baseball Facilities

Due to the demands of the FY2024 Budget, the General Fund transfer for CIP reserves has been eliminated. Funding consideration of these reserves will occur during the year fund balance review.

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Budgets are all about choices and making difficult decisions and are based on Council priorities, sound financial and management principles and experience

- ◆ Elimination of FY2024 CIP funding - \$1.3M
- ◆ New department requests that remain unfunded
 - \$832,690 in new positions, increased benefits, built in attrition savings
 - More than \$819,000 in operational expenses

Budget Balancing Unfunded New Requests

FY 2024 GENERAL FUND BUDGET

UNFUNDED REQUESTS

WAGES AND BENEFITS

FIRE DEPARTMENT	\$	(89,016)	11033210-51006 REQUESTED DEPUTY FIRE MARSHAL
FIRE DEPARTMENT	\$	(89,016)	11033210-51006 REQUESTED EMERGENCY COORDINATOR
PUBLIC WORKS	\$	(44,827)	11044120-51006 UPGRADE PART TIME POSITION TO FULL TIME
LIBRARY	\$	(72,744)	11077510-51006 REQUESTED STAFFING ADDITION
PLANNING	\$	(22,607)	11088110-51510 REQUESTED PART TIME POSITION
REGISTRAR	\$	(40,335)	11011410-51006 UPGRADE PART TIME POSITION TO FULL TIME
CLERK OF COURT	\$	(40,714)	11022160-51006 UPGRADE PART TIME POSITION TO FULL TIME
PUBLIC SAFETY	\$	(133,431)	11011310-58389 HAZARDOUS DUTY VRS MULTIPLIER
GENERAL GOVERNMENT	\$	(300,000)	11011310-58389 BUILT IN ATTRITION SAVINGS
	\$	(832,690)	TOTAL UNFUNDED PERSONNEL REQUESTS

Budget Balancing Unfunded New Requests

OPERATIONS AND CAPITAL

INFORMATION TECHNOLOGY	\$	(35,750)	11011510-58316 VEHICLE
SHERIFF	\$	(42,923)	11022170-58316 VEHICLE
POLICE	\$	(62,000)	11033110-58316 1 PATROL PC
POLICE	\$	(62,000)	11033110-58316 1 PATROL PC
POLICE	\$	(62,000)	11033110-58316 1 PATROL PC
POLICE	\$	(62,000)	11033110-58316 1 PATROL PC
INSPECTIONS	\$	(28,000)	11033410-58316 VEHICLE REPLACEMENT
HORTICULTURE	\$	(75,000)	11077120-58316 F550 DUMP TRUCK
HORTICULTURE	\$	(68,000)	11077120-58321 BRUSH CHIPPER
HORTICULTURE	\$	(2,500)	11077120-58321 GRAPPLE BUCKET ATTACHMENT
HORTICULTURE	\$	(2,000)	11077120-58321 BRUSH RAKE
PARK MAINTENANCE	\$	(28,000)	11077210-58321 VEN TRAC MOWER
PARK MAINTENANCE	\$	(17,500)	11077210-58321 BOOM MOWER
PARK MAINTENANCE	\$	(50,000)	11077210-58321 TRACTOR
PARK MAINTENANCE	\$	(4,700)	11077210-58321 MOWER DECK

Budget Balancing Unfunded New Requests

PARK MAINTENANCE	\$	(8,950)	11077210-58321	CONTOUR MOWER
PARK MAINTENANCE	\$	(5,595)	11077210-58321	SNOW BLOWER
PARK MAINTENANCE	\$	(6,500)	11077210-58321	UTILITY CART
PARK MAINTENANCE	\$	(50,000)	11077210-58321	LEAF VAC
LIBRARY	\$	(27,700)	11077510-58311	PRIVACY PODS AND FURNITURE
PLANNING	\$	(100,000)	11088110-53010	COMPREHENSIVE PLAN
OUTSIDE AGENCIES	\$	(17,384)	MULTIPLE	REDUCED TO CURRENT CONTRIBUTION LEVELS
DEBT SINKING FUND CONTRIBUTIONS	\$	(570,374)	11099600-59312	REDUCE TRANSFER TO DEBT FUND
CIP RESERVE CONTRIBUTIONS	\$	(1,286,050)	11099600-59339	ELIMINATE GENERAL FUND CONTRIBUITION TO CIP
	\$	(2,674,926)	TOTAL UNFUNDED OPERATING REQUESTS	
	\$	(3,507,616)	TOTAL ALL UNFUNDED REQUESTS	

We have potential to fund Comprehensive Plan and
CIP out of FY2023 carry over

Looking Forward

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- The city has some important requirements coming at us in the next few years. We will want to keep these in mind as we move through the FY2024 budget process.
 - The Harrisonburg/Rockingham jail buy in ends in FY2025.
 - Final JDR Court relocation costs and related debt service
 - JDR Court Operating Cost to start in FY2025 and fully operational in FY2026
 - MS4 (Municipal Separate Storm Sewer System) Program requirements
 - West End Revitalization
 - Uniontown Infrastructure Improvements
 - Greenways and Pedestrian Infrastructure
 - Public Safety and Other General Government Space Needs
 - Future Capital Needs for Schools



Questions and Comments

FY2024 Budget at www.ci.staunton.va.us/budget

Contact City Council at CityCouncil@ci.staunton.va.us

or 540.332.3810

Public Meetings/Work Sessions

April 13 (joint with school board), 20 and 27 (budget adoption)

Public Hearings

April 13 – Proposed Budget



www.ci.staunton.va.us/budget



CityCouncil@ci.staunton.va.us



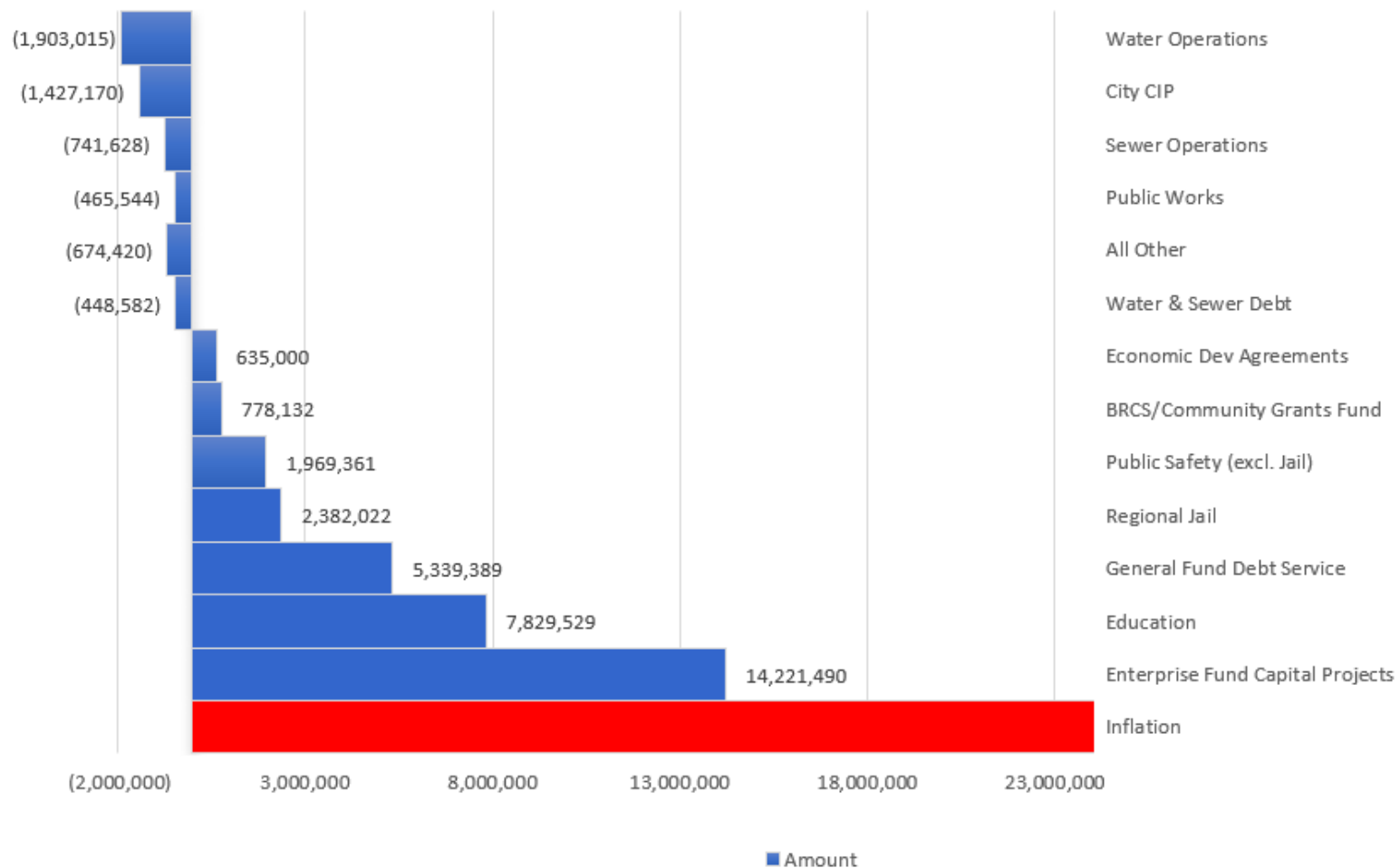
City Budget Growth FY2014 – FY2024

April 6, 2023

Important Reminders –

- The entire city budget number includes all city and all school funds, no matter the funding source.
- Any transfer between funds will be counted twice in the total budget number.

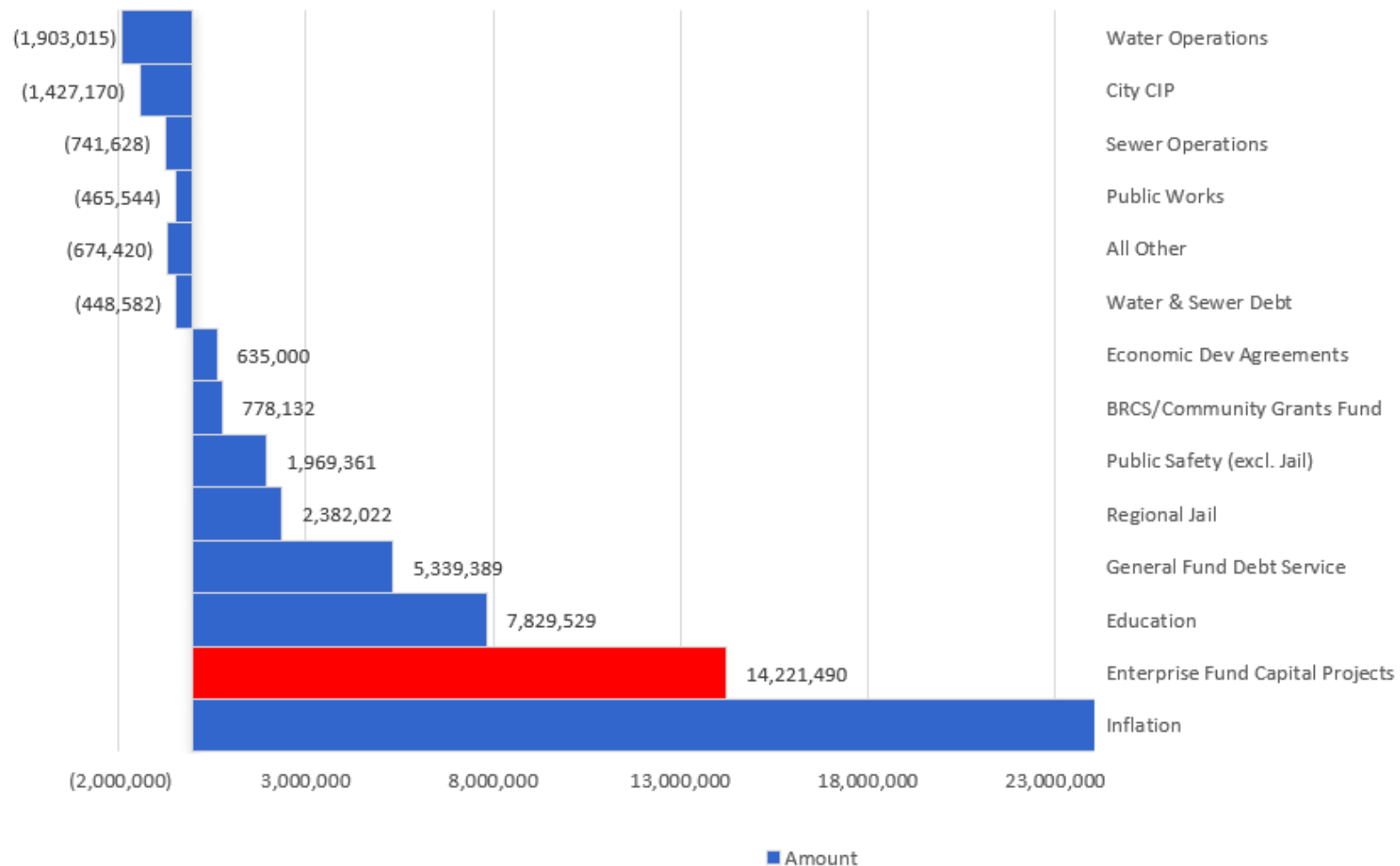
FY2014-FY2024 INCREASE IN BUDGET \$51,736,043



Inflation \$24,241,479

- Responsible for 47% of the increase from FY2014 to FY2024
- Cumulative increase was 29.1% from FY2014 to FY2024
- Source was US Inflation Calculator

FY2014-FY2024 INCREASE IN BUDGET \$51,736,043



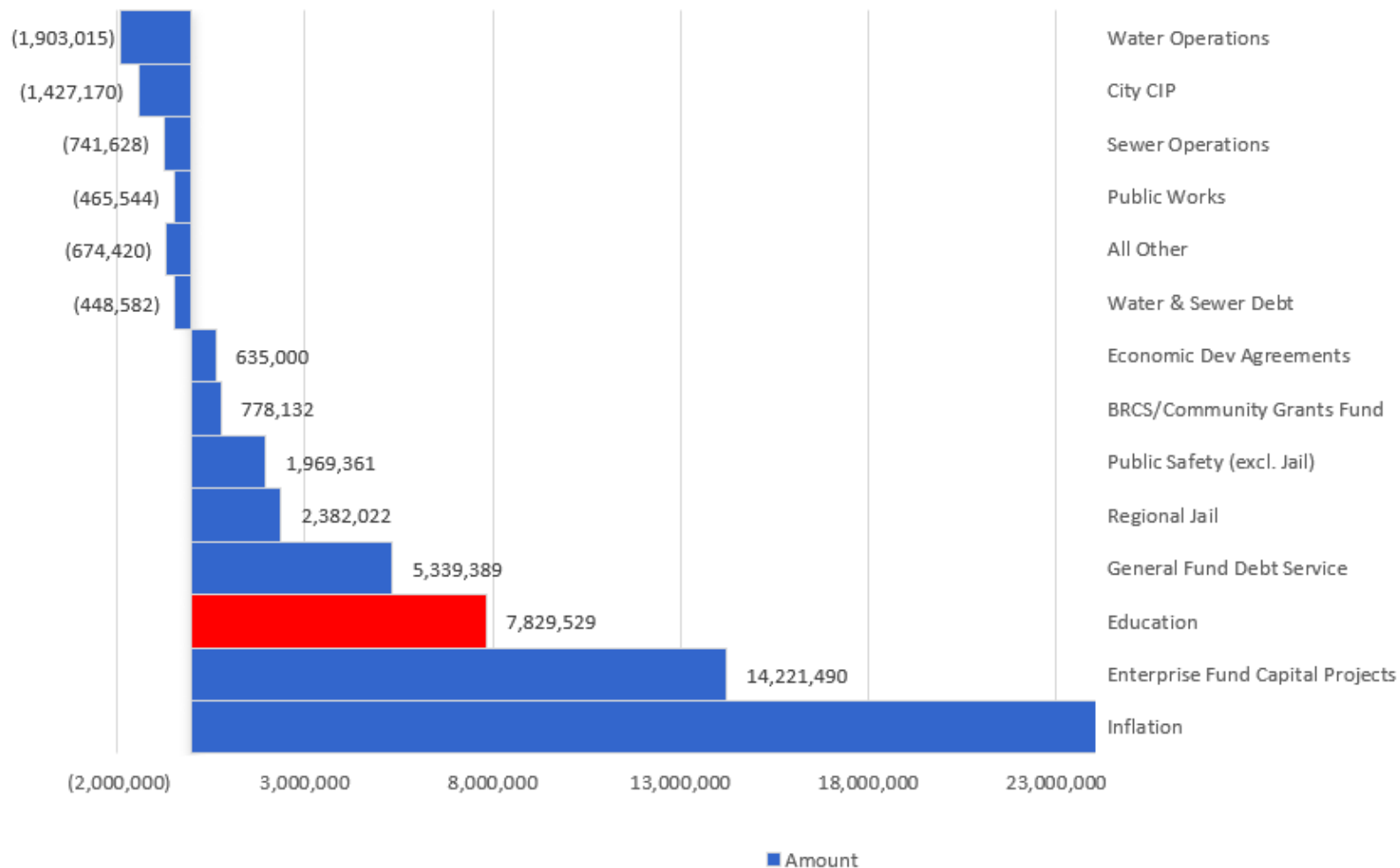
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Capital Projects in the Enterprise Funds

\$14,221,490

- Responsible for 27% of the increase from FY2014 to FY2024
- There are several major capital projects included in the current budget for the Water, Sewer, Environmental, and Stormwater Funds.
- Approximately two thirds of this amount is budgeted to be covered with grant funding and the remaining amounts with fund balance.

FY2014-FY2024 INCREASE IN BUDGET \$51,736,043

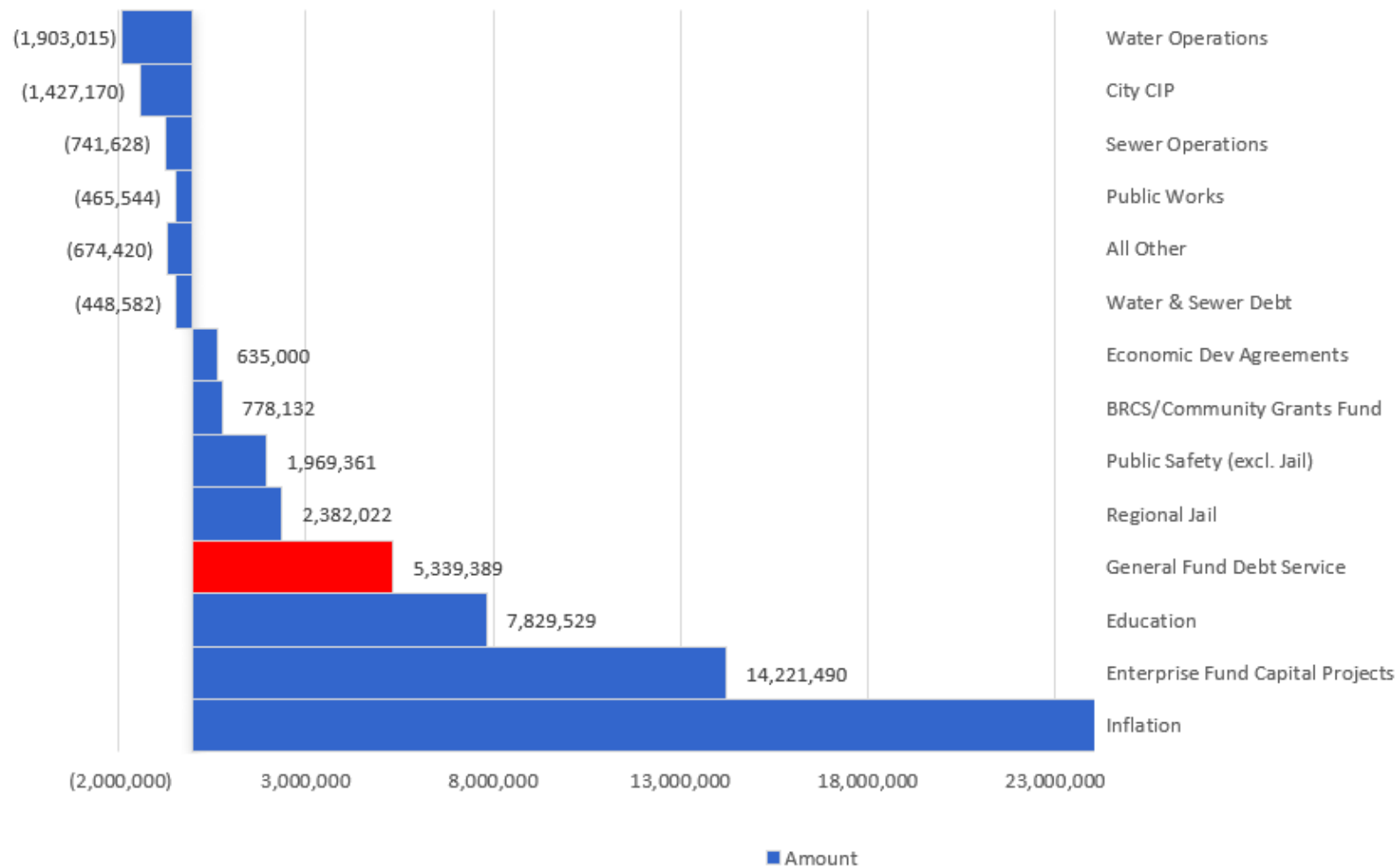


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Staunton City Schools \$7,829,529

- Responsible for 15% of the increase from FY2014 to FY2024
- This amount is in excess of the inflation rate.
- This includes the increase in the local contribution in the General Fund and the increase in all the school related funds.
- The Education Fund increased 51% from the FY2014 budget to the FY2024 budget.

FY2014-FY2024 INCREASE IN BUDGET \$51,736,043

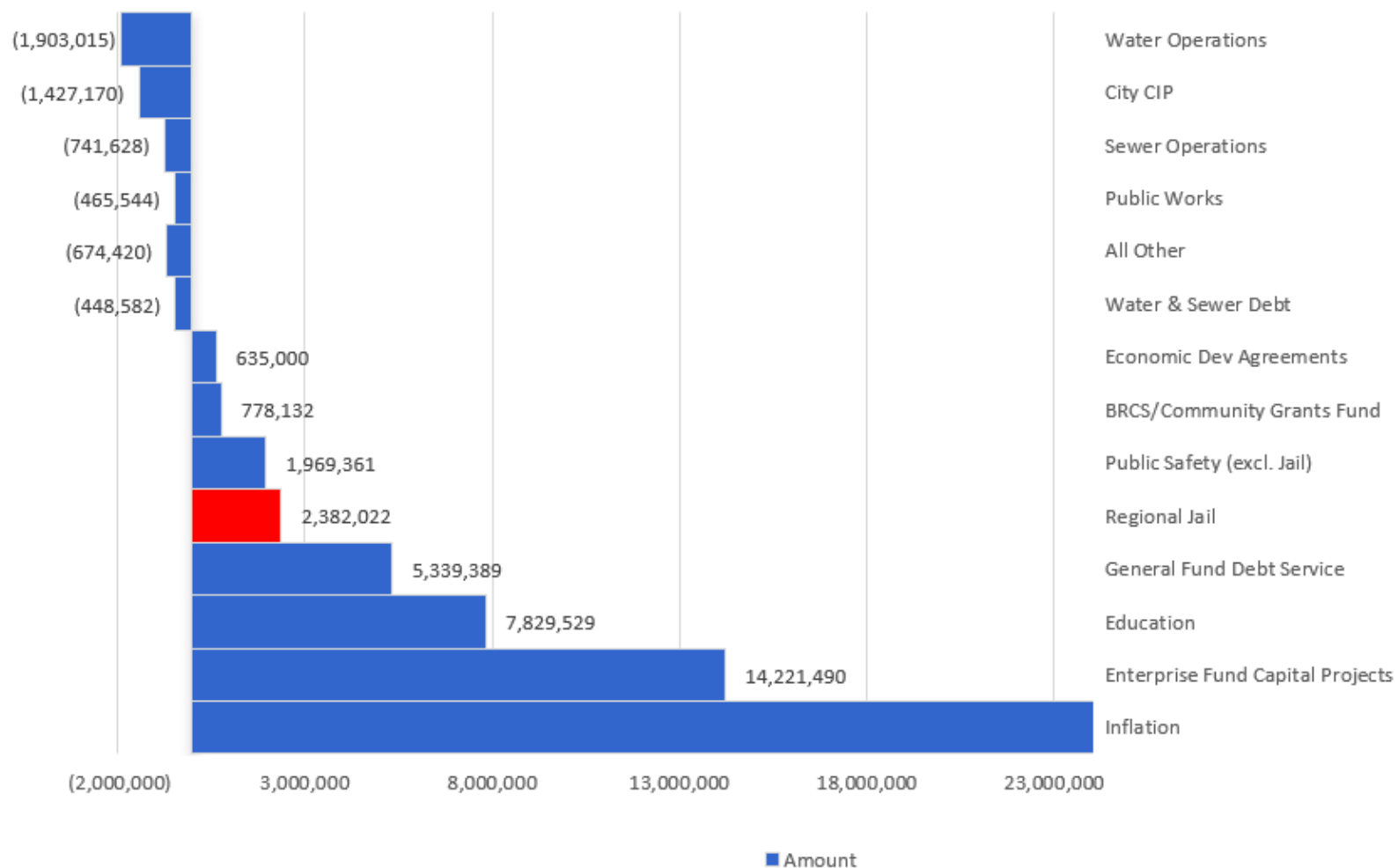


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Debt Service \$5,339,389

- Responsible for 10% of the increase from FY2014 to FY2024
- Inflation was not applied to this number.
- Increase is mainly for the debt associated with the renovation of the high school.
- This increase includes the increase in the General Fund debt contribution and the increase in the Debt Service Sinking Fund.

FY2014-FY2024 INCREASE IN BUDGET \$51,736,043



Jail \$2,382,022

- Responsible for 5% of the increase from FY2014 to FY2024
- This is in excess of inflation.
 - FY2014 Budget **\$700,000**
 - FY2024 Budget Request **\$3,286,318**
- This equates to approximately 9 cents on the real estate tax rate.

FY2014-FY2024 INCREASE IN BUDGET OF \$51,736,043

Major Reason	Amount	Percent
Inflation	24,241,479	47%
Enterprise Fund Capital Projects	14,221,490	27%
Education	7,829,529	15%
General Fund Debt Service	5,339,389	10%
Regional Jail	2,382,022	5%
Public Safety (excl. Jail)	1,969,361	4%
BRCS/Community Grants Fund	778,132	2%
Economic Dev Agreements	635,000	1%
Water & Sewer Debt	(448,582)	-1%
All Other	(674,420)	-1%
Public Works	(465,544)	-1%
Sewer Operations	(741,628)	-1%
City CIP	(1,427,170)	-3%
Water Operations	(1,903,015)	-4%
	51,736,043	100%