City Manager's Proposed Budget
FY 2021-2022

March 25, 2021

Presented by City Manager's Office

Overall Proposed Budget

July 1, 2021—June 30, 2022

Total proposed budget is **$131,353,978** for all funds

- $17.06 million (or 14.9%) increase over FY2021

General Fund proposed budget is **$61,969,366**

- $5.59 million (or 9.9%) increase over FY2021

Significant Themes

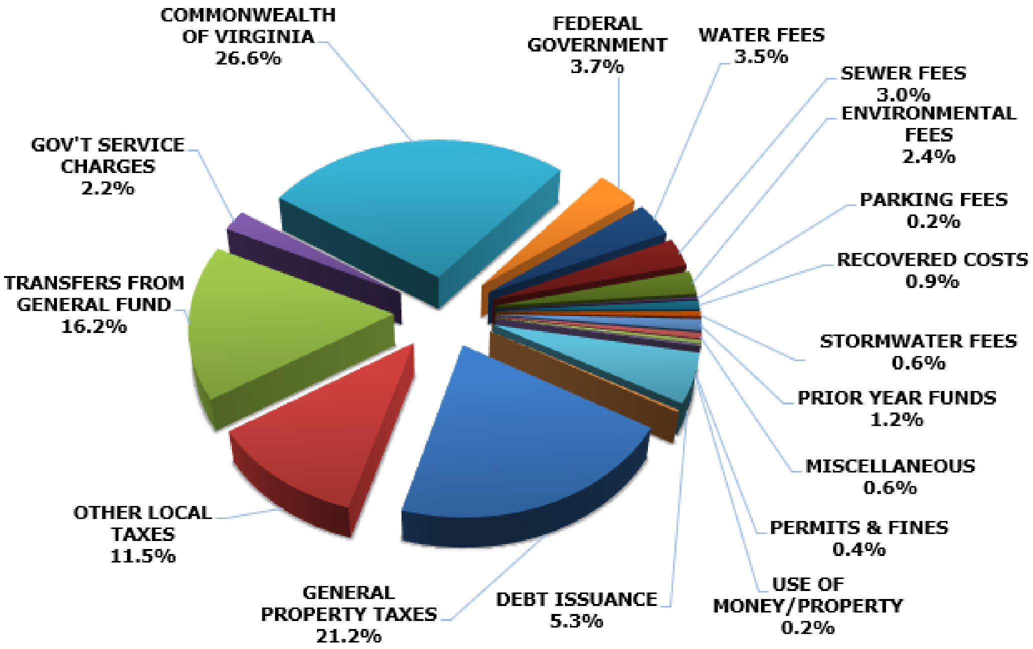
- Like many localities, Staunton experienced declines in revenues, staffing and vacancy freezes, and use of reserves to balance FY2021 budget
- How do we account for COVID-19 going into FY2022?
  - Budget still in transition
  - Use of fund balance
  - Take the long view—new trendline
  - Recognize the pressure on expenditures
  - Address the average increase of real property assessments of 9.4% (not including new construction)
  - Maintain a conservative approach
  - Continue to support employees and city services
  - Many new city department requests remain unfunded (over $3.2M)

What is New?

- Budget built on reduction in real estate tax rate
- New citywide recycling model
- Taking steps into diversity, equity and inclusion work
- Afton Express
- Improvements to Gypsy Hill Golf Course operations
- 2% increase for employees as of January 1, 2022 and other salary adjustments

Total Revenues—All Funds

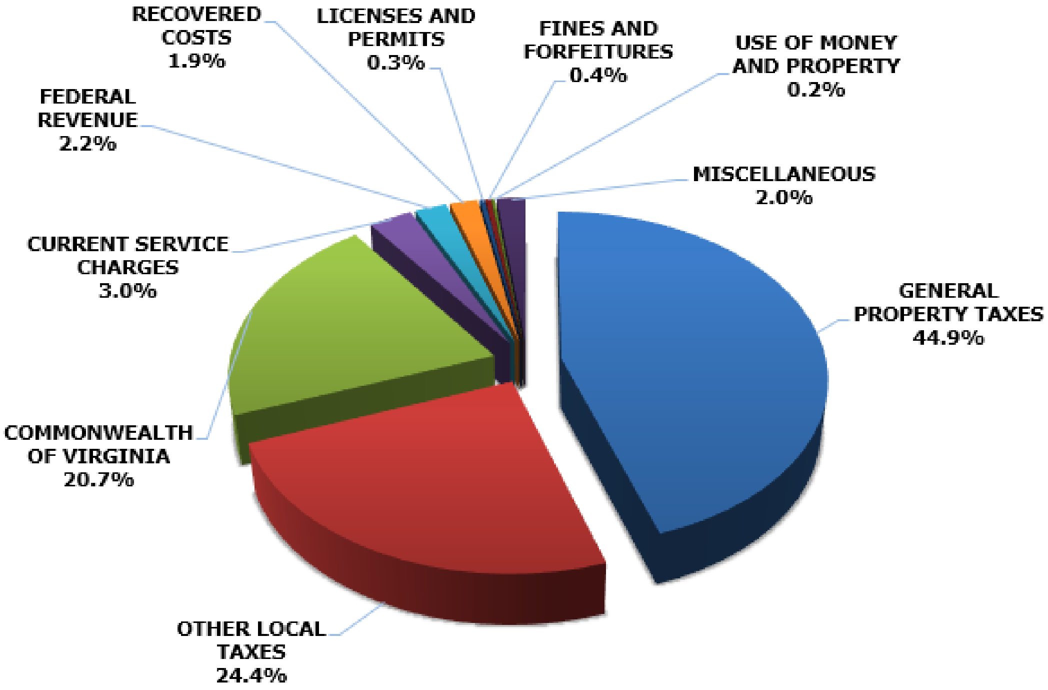
$131.35 M



STAUNTON VIRGINIA

General Fund Revenues

$61.96 M



General Property Taxes	$	27,800,455
Other Local Taxes		15,150,500
Commonwealth of Virginia		12,815,367
Current Service Charges		1,855,902
Federal Revenue		1,363,629
Recovered Costs		1,190,235
Licenses and Permits		208,400
Fines and Forfeitures		232,000
Use of Money and Property		135,500
Miscellaneous		1,217,378
Total Revenues	$	61,969,366

Tax and Fee Proposed Changes

Real Estate Tax Rate

- **Proposed <u>decrease</u> from $.95 to <u>$.93/$100</u> assessed value**
- Each cent = $215,392
- Recognizes significant increase in assessments (9.4% not including new construction) and the burden that causes on property owners during this time of economic uncertainty

No other tax or fee changes in this proposed budget

General Fund Revenues

◆ Other Local Taxes

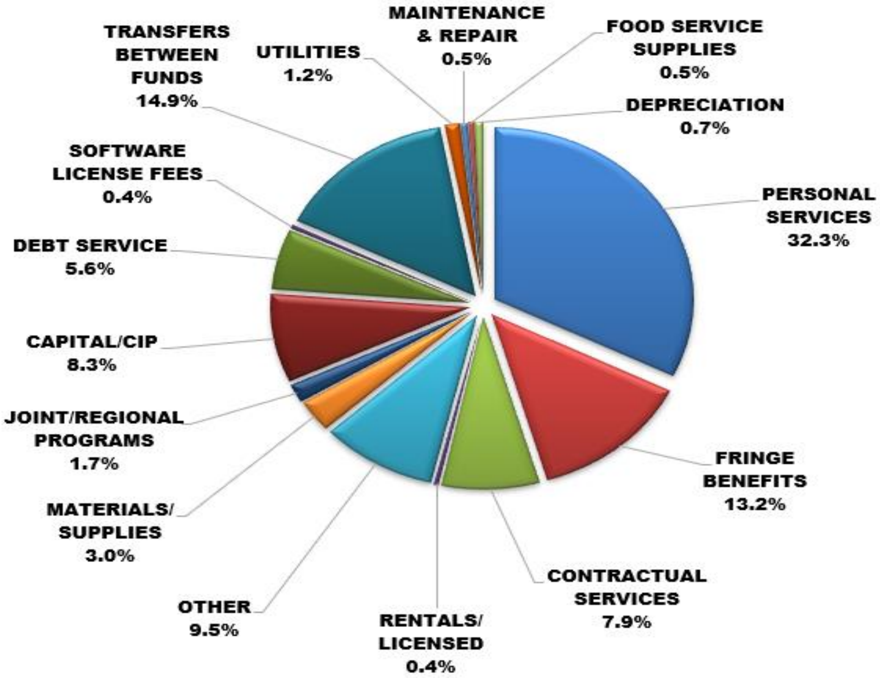
- Personal property tax revenue increases by $308,000
- Sales tax revenue increases by $1.27 million
- Transient occupancy tax revenue decreases by $76,000
- Meals tax revenue increases by $737,500

◆ State and Federal Funding

- Increase of over $151,700 in health and welfare and an increase of $75,318 in street and highway maintenance
- Federal funding increases by $78,656 due to a net reduction in grants and increases in health and welfare program funding

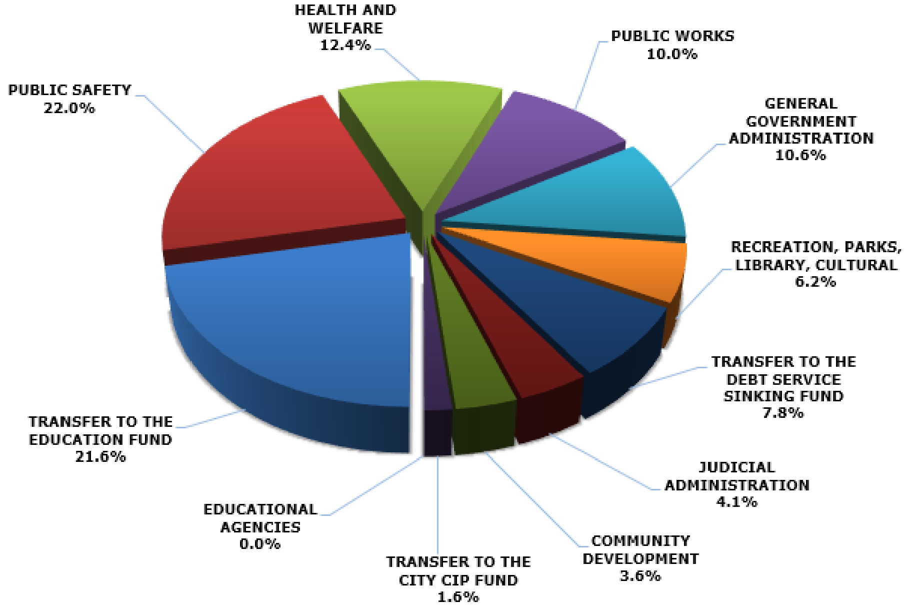
Total Expenditures—All Funds

$131.35 M



General Fund Expenditures

$61.96 M



TRANSFER TO THE EDUCATION FUND	$	13,406,250
PUBLIC SAFETY		13,616,584
HEALTH AND WELFARE		7,682,954
PUBLIC WORKS		6,225,741
GENERAL GOVERNMENT ADMINISTRATION		6,583,210
RECREATION, PARKS, LIBRARY, CULTURAL		3,830,628
TRANSFER TO THE DEBT SERVICE SINKING FUND		4,844,415
JUDICIAL ADMINISTRATION		2,551,898
COMMUNITY DEVELOPMENT		2,237,636
TRANSFER TO THE CITY CIP FUND		981,050
EDUCATIONAL AGENCIES		9,000
TOTAL GENERAL FUND EXPENDITURES	$	61,969,366

Expenditure Details—Personnel

- Effective January 1, 2022—2% cost of living increase for all full and part time city employees
- Health Insurance—increase of 8.8% for the City and employee paid premiums
- New positions proposed:
  - 1.5 grant funded positions for Blue Ridge Court Services
  - 1 new full-time Clerk of Council (previously part-time)
- Additional salary adjustments for sworn officers in the Police Department and Sheriff's Office
  - Completed after review of salaries, to remain competitive within the region and to address high turnover rates in the Police Department
- No change in Virginia Retirement System contributions

Expenditure Details—Education

- Proposed transfer from the city totaling **$13.4M**, 21.6% of the city's General Fund budget

- School Board adopted budget = **$40.5M**, an increase of $2.2M over FY2021
  - The city's contribution in the proposed budget is **$443,750** less than that included in the School Board's adopted budget

Expenditure Details—Functional Areas

Public Safety—Increase of $1.57M

Major drivers include:

- City share of Middle River Regional Jail ($525,396 increase over FY21)
- City share of Shenandoah Valley Juvenile Center ($232,246 increase over FY21)
- Salaries/benefits of six firefighters due to expired SAFER Grant ($56,500 increase over FY21 which was final year of grant funds)
- 2% salary increase on Jan. 1, 2022; full year of salaries/benefits of positions frozen and partially furloughed in FY21; increase in health care costs; pay adjustments for City Sheriff and Police Department

Health and Welfare—Increase of $320,573

Major drivers include:

- Increases to city's share for Shenandoah Valley Social Services administrative expenses and child welfare assistance

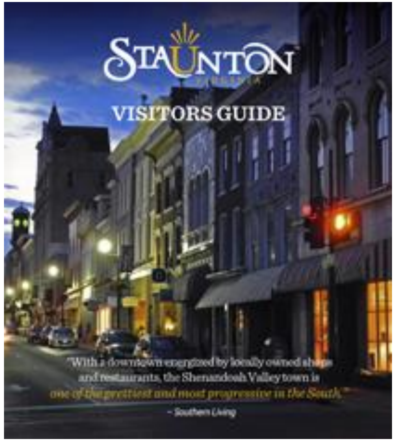
STAUNTON
VIRGINIA

Expenditure Details—Functional Areas

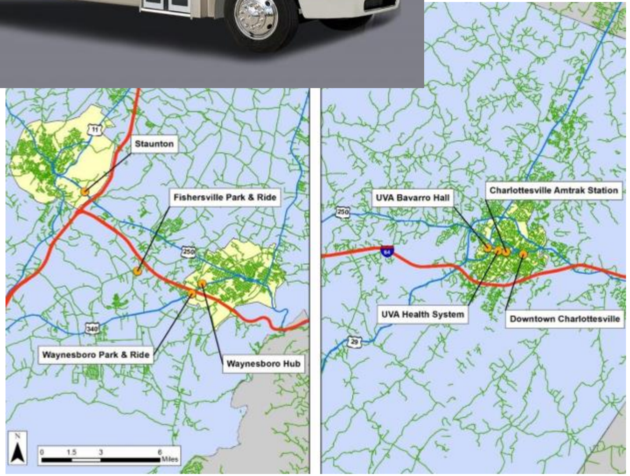
<u>Community Development</u>—Increase of $148,862

Major drivers include:

- Full year of salaries/benefits for partially furloughed and frozen positions in FY21; 2% salary increase on Jan. 1, 2022
- Additional funds for tourism marketing, including new visitors guide



Expenditure Details—Functional Areas



Afton Express will connect Staunton, Augusta County and Waynesboro with Charlottesville and Albemarle County

- Central Shenandoah Planning District Commission operated
- Officially launch in July 2021
- Past year was spent planning, defining routes, developing marketing and branding materials, and ordering busses
- $12,346, in fulfillment of city's fiscal commitment
- Commuters can get out of their cars, save money on gas and car maintenance and reduce harmful emissions that impact our environment

Expenditure Details—Functional Areas

General Government—Increase of $482,749

Major drivers include:

- Full year of salaries/benefits for partially furloughed and frozen positions in FY21; 2% salary increase on Jan. 1, 2022; health care costs; additional funds for full time Clerk of Council
- Replacement computers, new IT maintenance fees and professional services for GIS imagery and technology consulting

Diversity, Equity and Inclusion Training for directors and managers to build a common vocabulary and understand issues around diversity, equity and inclusion

Expenditure Details—Functional Areas

<u>Public Works</u>—Increase of $253,977

Major drivers include:

- Full year of salaries/benefits for partially furloughed and frozen positions in FY21; 2% salary increase on Jan. 1, 2022; health care costs

STAUNTON VIRGINIA

Expenditure Details—Functional Areas

Proposes that city's recycling program move from curbside collection to a central deposit location

This shift brings multiple benefits, including:

- Level refuse and recycling fees for FY2022
- Less expensive operations
- Increased recycling options for city residents and businesses, including a resumption of the recycling of plastics, previously eliminated in 2019 due to the collapse of the market for recyclables
- Establishment of a more agile and responsive system that can better respond to future changes in the industry

Expenditure Details—Functional Areas

Recreation, Parks, Library—Increase of $160,409

Major drivers include:

- Full year of salaries/benefits for partially furloughed and frozen positions in FY21; 2% salary increase on Jan. 1, 2022; health care costs
- *First Tee - Shenandoah Valley* funded in amount of $3,250
  - Elementary school programming including play by students on the Gypsy Hill Golf Course
- $25,000 to address maintenance issues at Action Skate Park in Gypsy Hill Park

Point of Sale Solution for Gypsy Hill Golf Course designed to capture all data relative to member's frequency of play, time of day, cart used, profit vs. loss projections, and track the geographic locations of golfers, to name a few improvements to the current system.

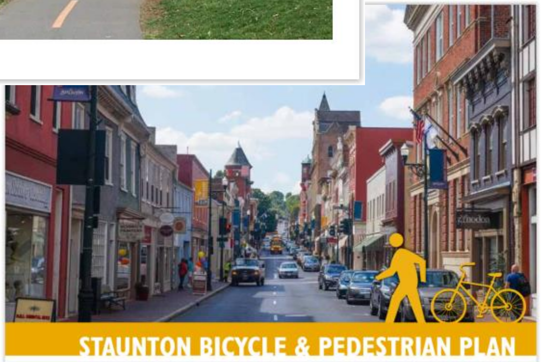
Capital Improvement Plan

$6.03M

Funded from FY2021 Budget Amendment, $1,475,000

- $200,000 Provision for Middle River Regional Jail expansion
- $125,000 Bike and pedestrian projects
- $100,000 Greenways projects
- $300,000 City Hall HVAC replacement
- $150,000 Planning and Inspection review software
- $400,000 Emergency radio replacement
- $200,000 Bessie Weller Elementary Safe Routes to Schools

STAUNTON GREENWAYS PLAN



Capital Improvement Plan

$6.03M

Funded from FY2022 Budget, $981,050

- $300,000 Fire truck replacement reserve
- $ 40,000 Fire-Rescue Department breathing apparatus and cardiac monitors
- $200,000 New sidewalk projects and matching funds for VDOT grants
- $100,000 Replacement project from concrete sidewalks to brick
- $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

Capital Improvement Plan

$6.03M

Funded from General Obligation Bonds, $1,600,000

- $1,600,000 Emergency radio replacement

Funded from CIP Reserves, $250,000

- $200,000 Golf carts for Gypsy Hill Golf Course
- $ 50,000 New sidewalk – West Beverley Street/Grubert Avenue

Funded from Virginia Department of Transportation, $1,423,000

- $800,000 Bessie Weller Elementary Safe Routes to Schools
- $623,000 Streets – Richmond Road/Statler Blvd.

Funded from projected FY2022 Budget Amendment, $300,000

- $150,000 Ineligible streets and city parking lots
- $150,000 Adaptive traffic control

Budget Balancing

- Budget balancing considers Council’s priorities, sound financial and management principles, and experience
- New department requests that remain unfunded = $3.2M
  - $237,742 in new personnel and salary requests
  - $2.7M in operational expenses requests
- Use of fund balance = $1.2M

Accomplishments

- COVID-19 responses and actions
  - **CARES Act funding over $4.3M** to help reopen city facilities, upgrade Rita S. Wilson Council Chambers and Caucus Room, execute *Dine Out in Downtown*, fund needs of Staunton City Schools, provide grants to small businesses and nonprofits and assistance to individuals with child care costs, utility bill and rent payments.
- Richmond Avenue corridor – future home to several new businesses
- Staunton Crossing saw new 7-Eleven and Liberty gas station
- Restoration of historic Building 26 at The Villages at Staunton
- Second phase of Staunton Innovation Hub
- Stuart Hall School’s Eastham Campus on West Beverley Street

Accomplishments

- Commencement of Central Avenue Streetscape Improvement Project
- Second year as a HUD entitlement community, receiving over $354,000 directed to help low to moderate income families and infrastructure projects in their neighborhoods
- Received $332,726 in CDBG/HUD for services and activities related to responded to the health pandemic
- Floods of August 2020 – response and recovery supported by donations and volunteers and cooperation of community organizations and city departments

Accomplishments

- GFOA Distinguished Budget Presentation Award for FY2021 Adopted Budget
- Employees rose to the challenges of the past year and excelled in doing so

In Closing…….

Excerpt from Budget Message……..

"Our collective strength and resilience—embodied in the proposed budget—allow us to meet every challenge and to continue our work, even in adverse circumstances, to serve the community."

Steven L. Rosenberg
City Manager

How to Participate

FY2022 Budget at www.ci.staunton.va.us/budget

Contact City Council at CityCouncil@ci.staunton.va.us or by phone at 332.3810

Public Meetings/Work Sessions

April 1, 8, 15 and 22 (budget adoption)

Public Hearings

March 25 – Real Estate Tax Rate

April 8 – Proposed Budget

www.ci.staunton.va.us/budget

CityCouncil@ci.staunton.va.us