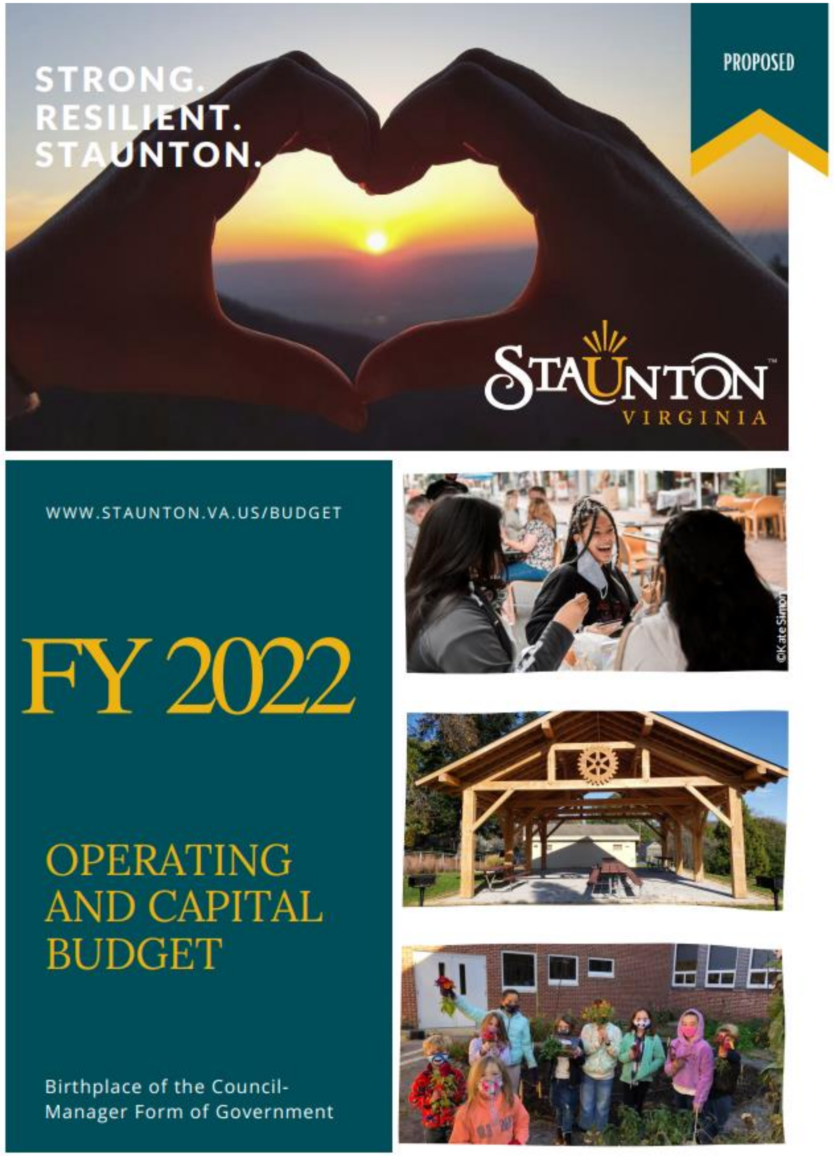
Staunton City Council

Budget Work Session
April 22, 2021



FY2022 Proposed Budget

Column	A	B	C	D	D - A	% Var.	D - C	% Var.
CITY GOVERNMENTAL FUNDS	FY2020 BUDGET	FY2021 ORIGINAL	FY2021 ADOPTED	FY2022 PROPOSED	FY2020 / FY2022 Variance		FY2021 / FY2022 Variance	
General Fund	$ 59,275,000	$ 60,947,666	$ 56,374,701	$ 61,969,366	$ 2,694,366	4.5%	$ 5,594,665	9.9%
Debt Service Sinking Fund	4,844,415	4,844,415	4,844,415	5,683,314	$ 838,899	17.3%	$ 838,899	17.3%
Blue Ridge Court Services Fund	1,056,660	1,100,407	1,092,973	1,229,541	$ 172,881	16.4%	$ 136,568	12.5%
City Capital Improvement Fund	841,050	941,050	-	981,050	$ 140,000	16.6%	$ 981,050	100.0%
Total Governmental Funds	$ 66,017,125	$ 67,833,538	$ 62,312,089	$ 69,863,271	$ 3,846,146	5.8%	$ 7,551,182	12.1%
CITY PROPRIETARY FUNDS								
Water Fund	$ 4,979,000	$ 5,046,810	$ 5,046,810	$ 11,596,225	$ 6,617,225	132.9%	$ 6,549,415	129.8%
Sewer Fund	4,812,390	4,562,393	4,562,393	3,957,500	(854,890)	-17.8%	$ (604,893)	-13.3%
Environmental Fund	3,233,950	3,334,793	3,334,793	3,252,385	18,435	0.6%	$ (82,408)	-2.5%
Stormwater Fund	1,586,250	1,292,316	1,292,316	1,656,650	70,400	4.4%	$ 364,334	28.2%
Parking Fund	980,475	540,120	540,120	512,081	(468,394)	-47.8%	$ (28,039)	-5.2%
Total Proprietary Funds	$ 15,592,065	$ 14,776,432	$ 14,776,432	$ 20,974,841	$ 5,382,776	34.5%	$ 6,198,409	41.9%
Total City Budget	$ 81,609,190	$ 82,609,970	$ 77,088,521	$ 90,838,112	$ 9,228,922	11.3%	$ 13,749,591	17.8%
STAUNTON SCHOOL BOARD								
Education Fund	$ 33,637,650	$ 34,579,201	$ 32,471,473	$ 35,253,498	$ 1,615,848	4.8%	$ 2,782,025	8.6%
State Operated Programs	2,829,900	3,006,406	2,981,645	$ 3,189,319	$ 359,419	12.7%	$ 207,674	7.0%
Cafeteria Fund	1,440,000	1,481,214	1,471,709	$ 1,696,314	$ 256,314	17.8%	$ 224,605	15.3%
School Textbook Fund	300,000	276,735	277,273	$ 276,735	$ (23,265)	-7.8%	$ (538)	-0.2%
School Capital Improvements Fu	100,000	200,000	-	$ 100,000	$ -	0.0%	$ 100,000	100.0%
Total Education Funds	$ 38,307,550	$ 39,543,556	$ 37,202,100	$ 40,515,866	$ 2,208,316	5.8%	$ 3,313,766	8.9%
Grand Total All Funds	$ 119,916,740	$ 122,153,526	$ 114,290,621	$131,353,978	$ 11,437,238	9.5%	$ 17,063,357	14.9%

Aspects of FY2022 Budget Ordinance

FY2022 Budget Ordinance has multiple features incorporated into its text.

1) Section 1 – quantifies the amount of the entire FY2022 budget for City, Schools, and Proprietary Funds.
2) Section 2 – provides for a 75% appropriation of approved budget amount with subsequent appropriations to brought before Council no later than February 2022.
3) Section 3 – establishes the tax rate at $XX per $100 of assessed value.
4) Section 4- establishes the personal property and machinery and tools at $2.90 and $1.24 per $100 of assessed value respectively

Aspects of FY2022 Budget Ordinance

5) Sections 5 & 6 – provides for service charges to be levied on certain tax exempt properties to include Mary Baldwin University and the Potomac Conference Center for Police and Fire protection.
   - Rate equals $.19 per $100 of assessed value and $.48 per $100 of assessed value for faculty and staff housing of an educational institution.
6) Section 9 – establishes the annual salary for City Council.
7) Section 10 – provides flexibility for the City Manager to reallocate fund appropriations between lines during the course of the year or withhold expenditures deemed to be in the best interests of the city. Council retains the right to disburse funds as they deem appropriate.
8) Sections 11 & 12 - Any ordinance in conflict with this action is repealed to only the extent that such conflict exists. Finally, any part of this ordinance found to be invalid by a competent authority does not invalidate the remaining aspects of this ordinance.

FY2022 Budget / Appropriation Requests As Proposed

Fund		FY2022 Proposed Budget	FY2022 Appropriation Request
General Fund		$ 61,969,366	$ 46,477,025
Debt Service Fund		5,683,314	$ 4,262,486
CIP Fund		981,050	$ 735,788
Blue Ridge Court Services		1,229,541	$ 922,156
Water Fund		11,596,225	$ 8,697,169
Sewer Fund		3,957,500	$ 2,968,125
Parking Fund		512,081	$ 384,061
Stormwater Fund		1,656,650	$ 1,242,488
Environmental Fund		3,252,385	$ 2,439,289
Education Fund		35,253,498	$ 26,440,124
Cafeteria Fund		1,696,314	$ 1,272,236
Textbook Fund		276,735	$ 207,551
School CIP		100,000	$ 75,000
School State Operated Program		3,189,319	$ 2,391,989
Total		**$ 131,353,978**	**$ 98,515,484**

FY2022 Proposed Budget

- Real Estate tax rate equals $.93 per $100 of assessed value.
- Downtown Service District tax rate remains unchanged at $.15 per $100 of assessed value.
- Personal Property tax rate remains unchanged at $2.90 per $100 of assessed value.
- Machinery and Tools tax rate remains unchanged at $1.24 per $100 of assessed value.

FY2022 Proposed Budget

- Water rates are proposed to remain unchanged.
- Sewer rates are proposed to remain unchanged.
- Stormwater fees are proposed to remain unchanged.
- Parking fees are proposed to remain unchanged.
- **Refuse rates are proposed to remain unchanged with centralized collection of recycling.**

FY2022 City Schools Budget

School Budget includes:

- School Budget equals $40,515,866
- Proposed 5% - 7% salary increase
- 19 new positions

FY2022 – Budget Adoption

- At the present time, the total proposed **FY2022 Budget = $131,353,978**
  - Staff seeks Council's guidance on the tax rate and centralized recycling.
- The appropriation request will be at 75% of the approved budget or $98,515,484
  - A 75% appropriation will allow funds for contractual obligations, which often are paid in full at the beginning of the year.
  - Other line items will be funded through the first seven months of the fiscal year.
- Staff will return to Council in February for additional appropriation recommendations
  - Assuming posted revenues are sufficient to meet budget requirements.

FY2022 Revised Budget Scenarios

Tax Rate	0.95	0.93	0.92	0.95	0.93	0.92
	Centralized Recycling	Centralized Recycling	Centralized Recycling	Curbside Recycling	Curbside Recycling	Curbside Recycling
CITY GOVERNMENTAL FUNDS	FY2022 $.95 Scenario	FY2022 PROPOSED	FY2022 $.92 Scenario	FY2022 $.95 Scenario	FY2022 $.93 Scenario	FY2022 $.92 Scenario
General Fund	$ 62,400,150	$ 61,969,366	$ 61,753,974	$ 62,400,150	$ 61,969,366	$ 61,753,974
Debt Service Sinking Fund	5,683,314	5,683,314	5,683,314	5,683,314	5,683,314	5,683,314
Blue Ridge Court Services Fund	1,229,541	1,229,541	1,229,541	1,229,541	1,229,541	1,229,541
City Capital Improvement Fund	981,050	981,050	981,050	981,050	981,050	981,050
Total Governmental Funds	$ 70,294,055	$ 69,863,271	$ 69,647,879	$ 70,294,055	$ 69,863,271	$ 69,647,879
CITY PROPRIETARY FUNDS						
Water Fund	$ 11,596,225	$ 11,596,225	$ 11,596,225	$ 11,596,225	$ 11,596,225	$ 11,596,225
Sewer Fund	3,957,500	3,957,500	3,957,500	3,957,500	3,957,500	3,957,500
Environmental Fund	3,252,385	3,252,385	3,252,385	3,638,178	3,638,178	3,638,178
Stormwater Fund	1,656,650	1,656,650	1,656,650	1,656,650	1,656,650	1,656,650
Parking Fund	512,081	512,081	512,081	512,081	512,081	512,081
Total Proprietary Funds	$ 20,974,841	$ 20,974,841	$ 20,974,841	$ 21,360,634	$ 21,360,634	$ 21,360,634
Total City Budget	$ 91,268,896	$ 90,838,112	$ 90,622,720	$ 91,654,689	$ 91,223,905	$ 91,008,513
STAUNTON SCHOOL BOARD						
Education Fund	$ 35,253,498	$ 35,253,498	$ 35,253,498	$ 35,253,498	$ 35,253,498	$ 35,253,498
State Operated Programs	3,189,319	3,189,319	3,189,319	3,189,319	3,189,319	3,189,319
Cafeteria Fund	1,696,314	1,696,314	1,696,314	1,696,314	1,696,314	1,696,314
School Textbook Fund	276,735	276,735	276,735	276,735	276,735	276,735
School Capital Improvements Fu	100,000	100,000	100,000	100,000	100,000	100,000
Total Education Funds	$ 40,515,866	$ 40,515,866	$ 40,515,866	$ 40,515,866	$ 40,515,866	$ 40,515,866
Grand Total All Funds	$ 131,784,762	$ 131,353,978	$ 131,138,586	$ 132,170,555	$ 131,739,771	$ 131,524,379

FY2022 Budget – Real Estate Tax Rate & Funding for City Schools

Real Estate Tax Rate Scenarios

	Revenue Impact
$.95 Real Estate Tax Rate	**$ 430,784**

1. Reduce Juvenile Detention Costs by $211K and transfer up to $220K to the Schools to cover half of the gap
2. Transfer an additional $215K to the Schools
3. Adjust City salary adjustment to 3% and to Begin @ July 1, 2021 - $368K in General Fund Expenses
4. Additional adjustments to include a reduction of the MRRJ line - $160K General Fund

$.93 Real Estate Tax Rate	**$ -**

1. Reduce Juvenile Detention Costs by $211K and transfer up to $220K to the Schools to cover half of the gap
2. Adjust City salary adjustment to 3% and to Begin @ October 1, 2021 - $230K In General Fund Expenses
3. Additional adjustments to include a reduction of the MRRJ line - $160K General Fund
4. Negative Contingency of $79K

$.92 Real Estate Tax Rate	**$ (215,392)**

1. Reduce Juvenile Detention Costs by $211K and transfer up to $220K to the Schools to cover half of the gap
2. Adjust City salary adjustment to 3% and to Begin @ January 1, 2022 - $92K in General Fund Expenses
3. Additional adjustments to include a reduction of the MRRJ line - $160K General Fund
4. Negative Contingency of $156K

FY2022 Budget – Remaining Decision Points

- Real Estate Tax Rate
- Curbside v. Central Recycling Program
- Timing and amount of employee salary increase