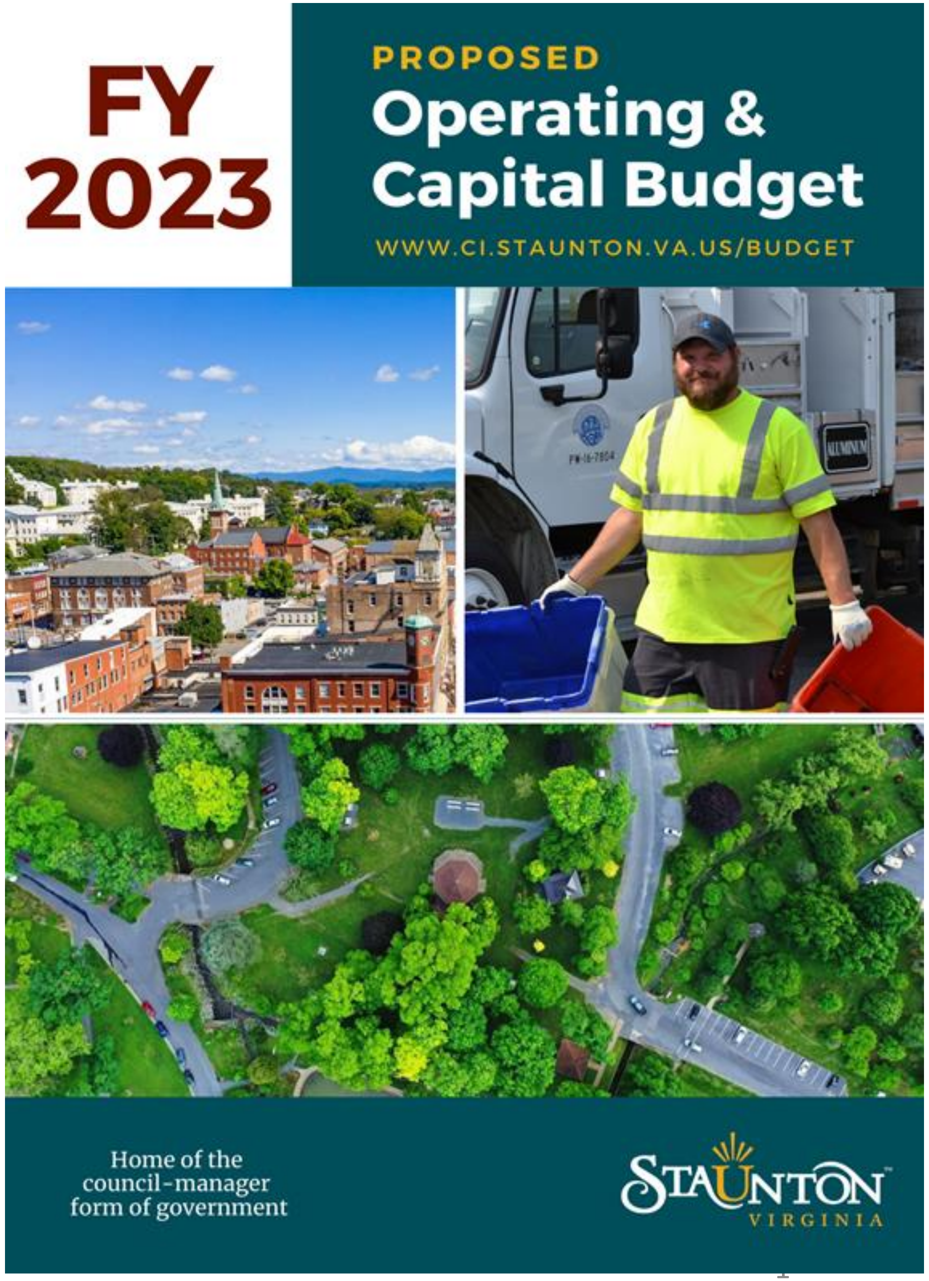
Staunton City Council

FY2023 Budget Approval

April 28, 2022



FY2023 Proposed Budget

Column	A	B	C	C - A	% Var.	C - B	% Var.
CITY GOVERNMENTAL FUNDS	FY2020 BUDGET	FY2022 ADOPTED	FY2023 PROPOSED	FY2020 / FY2023 Variance		FY2022 / FY2023 Variance	
General Fund	$ 59,275,000	$ 61,753,974	$ 65,192,940	$ 5,917,940	10.0%	$ 3,438,966	5.6%
Debt Service Sinking Fund	4,844,415	5,683,314	5,386,569	542,154	11.2%	(296,745)	-5.2%
Blue Ridge Court Services Fund	1,056,660	1,229,541	1,292,856	236,196	22.4%	63,315	5.1%
City Capital Improvement Fund	841,050	981,050	0	(841,050)	-100.0%	(981,050)	100.0%
Total Governmental Funds	$ 66,017,125	$ 69,647,879	$ 71,872,365	$ 5,855,240	8.9%	$ 2,224,486	3.2%
CITY PROPRIETARY FUNDS							
Water Fund	$ 4,979,000	$ 11,615,097	$ 10,167,501	$ 5,188,501	104.2%	$ (1,447,596)	-12.5%
Sewer Fund	4,812,390	3,960,677	9,865,197	5,052,807	105.0%	5,904,520	149.1%
Environmental Fund	3,233,950	3,265,427	4,297,745	1,063,795	32.9%	1,032,318	31.6%
Stormwater Fund	1,586,250	1,658,244	1,913,001	326,751	20.6%	254,757	15.4%
Parking Fund	980,475	513,675	551,443	(429,032)	-43.8%	37,768	7.4%
Total Proprietary Funds	$ 15,592,065	$ 21,013,120	$ 26,794,887	$ 11,202,822	71.8%	$ 5,781,767	27.5%
Total City Budget	$ 81,609,190	$ 90,660,999	$ 98,667,252	$ 17,058,062	20.9%	$ 8,006,253	8.8%
STAUNTON SCHOOL BOARD							
Education Fund	$ 33,637,650	$ 35,253,498	$ 37,910,838	$ 4,273,188	12.7%	$ 2,657,340	7.5%
State Operated Programs	2,829,900	3,189,319	3,292,217	462,317	16.3%	102,898	3.2%
Cafeteria Fund	1,440,000	1,696,314	1,874,095	434,095	30.1%	177,781	10.5%
School Textbook Fund	300,000	276,735	341,104	41,104	13.7%	64,369	23.3%
School Capital Improvements Fu	100,000	100,000	100,000	0	0.0%	0	100.0%
Total Education Funds	$ 38,307,550	$ 40,515,866	$ 43,518,254	$ 5,210,704	13.6%	$ 3,002,388	7.4%
Grand Total All Funds	$ 119,916,740	$ 131,176,865	$142,185,506	$ 22,268,766	18.6%	$ 11,008,641	8.4%

FY2023 Proposed Budget

- Real Estate tax rate equals \$.92 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.

FY2023 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.
- **Environmental fees are proposed to increase by 15%. Monthly residential rates are proposed to increase from $20.88 to $24.01.**

FY2023 Proposed Budget - Modifications

The following modifications have been made to the FY2023 Proposed Budget since it's introduction on March 24, 2022:

- Education Transfer to the General Fund has been increased from $14,700,000 to $15,065,237, an increase of $365,237.
- Animal Shelter funding has increased to $152,240, an increase of $12,545.
- Middle River Regional Jail's budgeted increase has been revised downwards from an increase of $307,496 to an increase of $273,139, a reduction of $34,357.
- Social Services expenditures have decreased by $33,966, offset by a reduction of revenue reimbursements.
- A negative contingency of $309,459 has been incorporated to help provide additional funds to the City Schools.
- Water Fund allocations of $782,370 have been adjusted in the Internal Transfer section of the budget as historical practice.

Aspects of FY2023 Budget Ordinance

FY2023 Budget Ordinance has multiple features incorporated into its text.

1) Section 1 – quantifies the amount of the entire FY2023 budget for City, Schools, and Proprietary Funds.
2) Section 2 – provides for a 75% appropriation of approved City budget amount and 100% of the Education Fund budget, less 25% of the general fund transfer to the education fund. Subsequent appropriations to brought before Council no later than February 2023.
3) Section 3 – establishes the tax rate at $.92 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 FY2023 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 $.18 per $100 of assessed value and $.46 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.

FY2023 Budget / Appropriation Requests As Proposed

Fund		FY2023 Proposed Budget	FY2023 Appropriation Request
General Fund	75%	$ 65,192,940	$ 48,894,705
Debt Service Fund	75%	5,386,569	$ 4,039,927
Blue Ridge Court Services	75%	1,292,856	$ 969,642
Water Fund	75%	10,167,501	$ 7,625,626
Sewer Fund	75%	9,865,197	$ 7,398,898
Parking Fund	75%	551,443	$ 413,582
Stormwater Fund	75%	1,913,001	$ 1,434,751
Environmental Fund	75%	4,297,745	$ 3,223,309
Education Fund	100%	22,845,601	$ 22,845,601
Education Fund - GF Transfer	75%	15,065,237	$ 11,298,928
Cafeteria Fund	100%	1,874,095	$ 1,874,095
Textbook Fund	100%	341,104	$ 341,104
School CIP	100%	100,000	$ 100,000
School State Operated Program	100%	3,292,217	$ 3,292,217
Total		**$ 142,185,506**	**$ 113,752,384**

FY2023 – Budget Adoption

- At the present time, the total proposed **FY2023 Budget = $142,185,506**
- The appropriation request will be at 75% of the approved City budget / 100% of Education Fund Budget less 25% of general fund transfer to education fund, or $113,752,384
  - 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 January / February for additional appropriation recommendations
  - Assuming posted revenues are sufficient to meet budget requirements.

FY2023 Environmental Fund Rate Increase

FY2023 Environmental Fund Rate Increase

- First proposed during the FY2020 budget process, the FY2023 Budget includes a proposed Environmental Fund increase of 15%.
- Raising the rates will increase environmental fund collections by $387,749 and will allow scheduled CIP projects to be funded and the continuation of current service.
- Bi-monthly customer’s billing will increase by $3.13 per month or $37.56 per year.

FY2023 Environmental Fund Rate Increase - Continued

The cost drivers for this increase is primarily the scheduled Landfill Phase 5 development:

- FY23 - Phase 5 construction = $4,000,000
- FY23 – Site Improvements / Wetland Mitigation = $60,000
- Staunton's share will be <u>$819,308</u>

Additional projects at the August Regional Landfill include:

- Relocation of the Scale House = $770,000
- Construction of a new office = $875,000

FY2023 Environmental Fund Rate Increase - Continued

Ongoing heavy equipment replacement cycles include:

- Compactors - $800,000
- Dozers - $416,436
- Haul Truck - $550,000
- Truck Loader - $580,000
- Excavator - $150,000
- Tarp Cover System - $60,000

FY2023 Environmental Fund Rate Increase

CIP heavy equipment requirements within the City’s environmental department are also playing a role as the City needs to replace numerous pieces of heavy equipment. Local CIP requirements include the following:

- FY2023 - Replacement of a 10 year street sweeper truck - $250,000
- FY2024 – Replacement of hauler - $180,000
- FY2025 - Replacement of a 10 year street sweeper truck - $265,000
- FY2026 – Replacement of hauler - $195,000

FY2023 Environmental Fund – CIP Summary

FY2023 Environmental Fund Capital Plan Summary					
Regional Landfill CIP Summary					
Project	**2022**	**2023**	**2024**	**2025**	**2026**
WETLAND STREAM MITIGATION	10,000	10,000	10,000	10,000	
COMPACTOR	-				800,000
TRACK LOADER				580,000	
TARP SYSTEM				60,000	
30 TON HAUL TRUCK			550,000		
PHASE 5 CONSTRUCTION ENGINEERING	150,000				
PHASE 5 CONSTRUCTION		4,000,000		-	-
TRACK HOE	279,250				
SITE IMPROVEMENTS	50,000	50,000	50,000		50,000
DOZIER	416,436				
RELOCATE SCALES			150,000	1,500,000	
TRUCK			30,000		
MINI EXCAVATOR			150,000		
POSI SHELL APPLICATOR	71,610				
TOTAL	**977,296**	**4,060,000**	**940,000**	**2,150,000**	**850,000**
Staunton Share 20.18%	**199,466**	**819,308**	**189,692**	**433,870**	**171,530**
Landfill Closure Costs	**58,712**	**58,712**	**58,712**	**58,712**	**58,712**
Local CIP					
Heavy Equipment	$ 211,146	$ 250,000	$ 180,000	$ 265,000	$ 195,000
Total CIP	**$ 469,324**	**$ 1,128,020**	**$ 428,404**	**$ 757,582**	**$ 425,242**