



City Manager's Proposed Budget FY 2024

March 23, 2023

Overall Proposed Budget

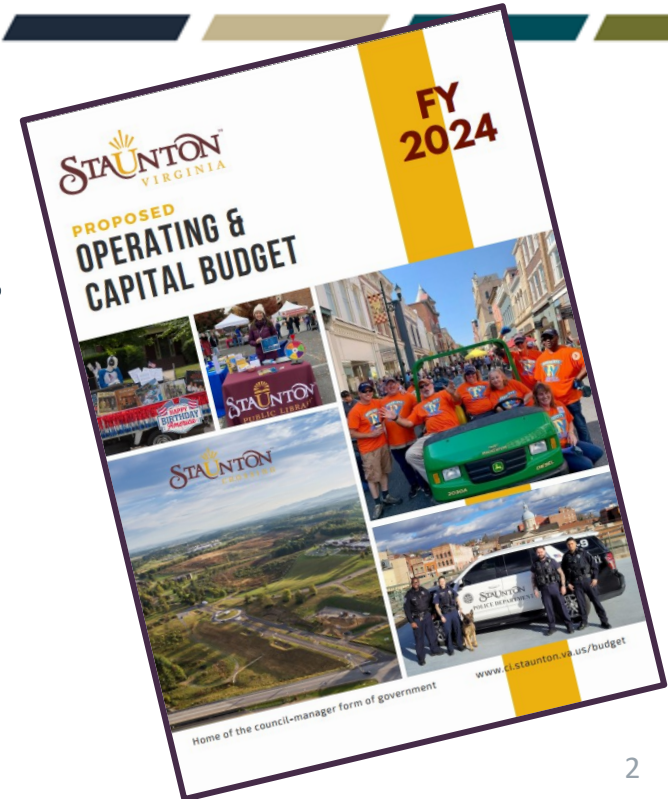
July 1, 2023—June 30, 2024

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 6.25%) increase over FY2023



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- A horizontal bar composed of ten rectangular segments in various colors: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and olive green.
- ❖ Fully supports City Schools
 - ❖ Focuses on aspirations, goals & future financial health
 - ❖ Focuses on City Council Strategic Goal areas
 - ❖ Addresses lagging competitive wages for workforce
 - ❖ Remains mindful of continued hardships on our residents
 - ❖ Provides stability in city services

The Staunton Plan

OUR VALUES

Integrity ~ Inclusion & Equity ~ Excellence ~
Engagement ~ Environmental Consciousness

Strategic Areas



Infrastructure

This strategic area focuses on the foundational and physical framework, utility systems, and transportation network that supports the City of Staunton.



Economic Development

This strategic area affirms City Council's commitment enhancing the economic well-being and quality of life for the City of Staunton through attracting new industries in target areas and supporting the expansion and retention of existing businesses. This area also addresses housing and quality of life needs required to attract and retain a qualified workforce.



Responsive, Efficient Government

This strategic area focuses on the ways in which the city provides services, attracts and grows its employees, and fulfills City Council's goals.



West End

This strategic area indicates City Council's commitment to providing resources to Staunton's West End, to promote this community as an upcoming and vibrant area that has diverse business opportunities and great potential for economic growth.



Built Environment

This strategic area focuses on the city facilities owned and maintained by the City, with an eye on not only what is needed in the current environment but in the future as city space needs evolve and change.

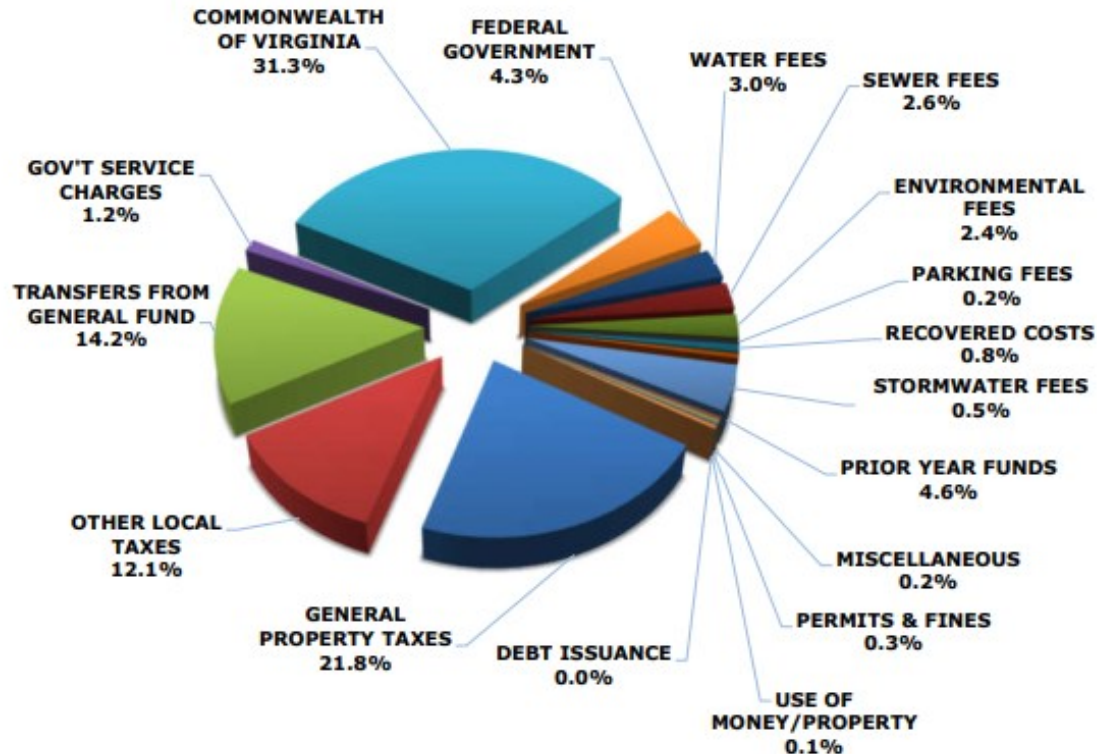
OUR VISION

A culturally rich, historic city with an exciting future
of innovation, growth and resilience.

You belong here!

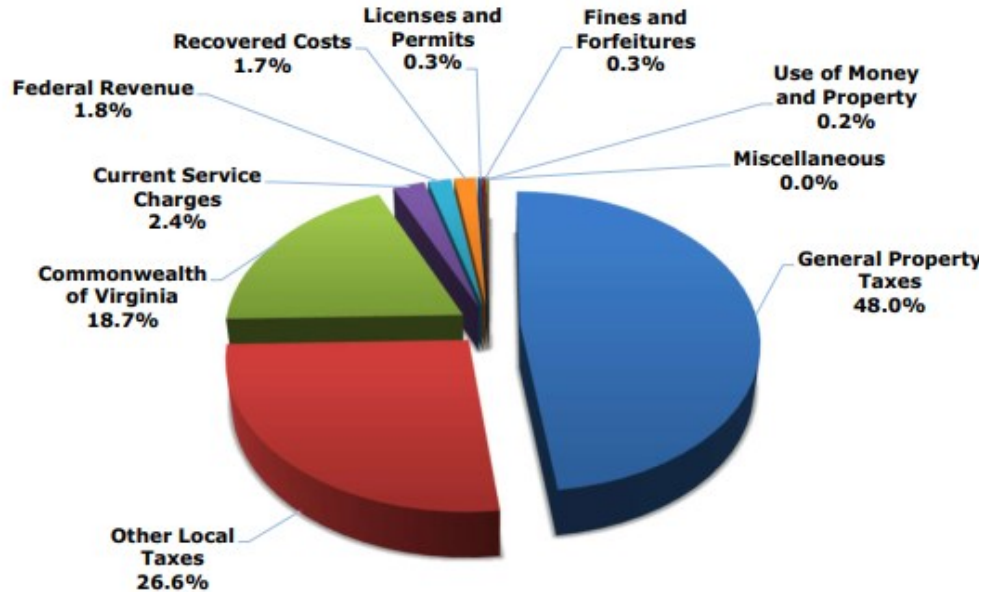
Total Revenues—All Funds

\$152.3 M



General Fund Revenues

\$69.3 M



General Property Taxes	\$	33,252,511	48.0%
Other Local Taxes		18,401,500	26.6%
Commonwealth of Virginia		12,983,352	18.7%
Current Service Charges		1,685,786	2.4%
Federal Revenue		1,239,852	1.8%
Recovered Costs		1,154,000	1.7%
Licenses and Permits		200,650	0.3%
Fines and Forfeitures		208,500	0.3%
Use of Money and Property		109,200	0.2%
Miscellaneous		29,000	0.0%
Total Revenues	\$	69,264,351	100.0%

Real Estate Tax Rate

- ❖ Proposed tax rate decrease from \$.92 to \$.89/\$100 assessed value
- ❖ One cent = \$287,261
- ❖ Recognizes significant increase in assessments (25.2% 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**

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❖ Other Local Taxes

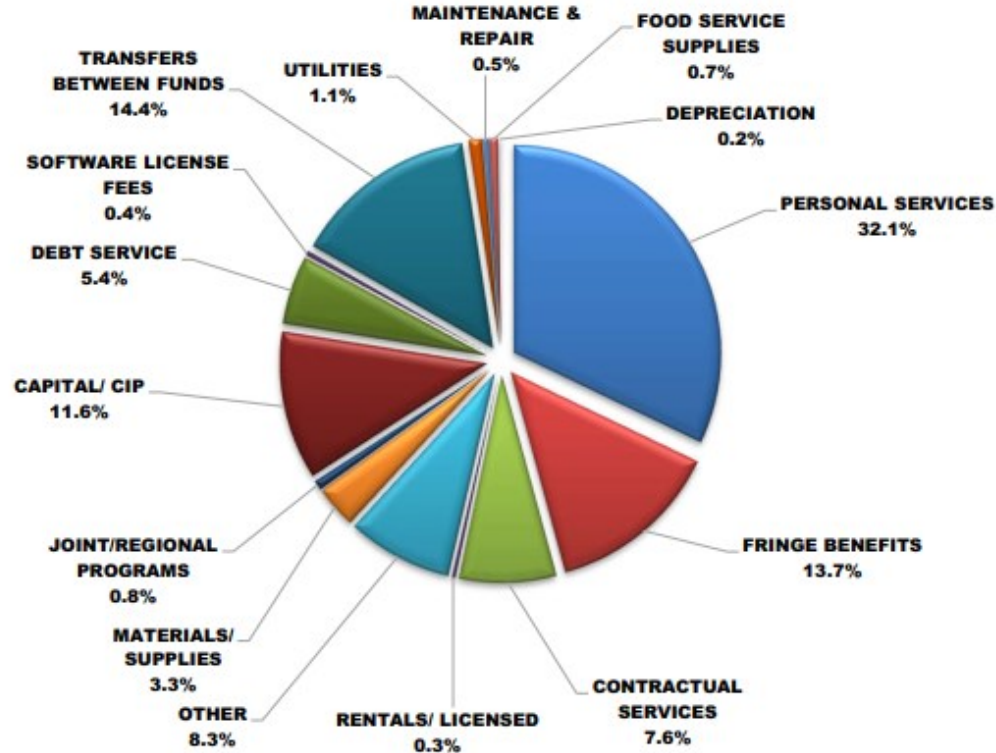
- Sales tax revenue increase by \$225,000
- Transient occupancy tax revenue increase by \$282,000
- Meals tax revenue increase by \$426,950
- BPOL increase by \$150,000
- Personal property revenue increase by \$345,000

❖ State and Federal Funding

- State revenue projected decrease of over \$235,000
- Federal funding projected decrease of \$340,788

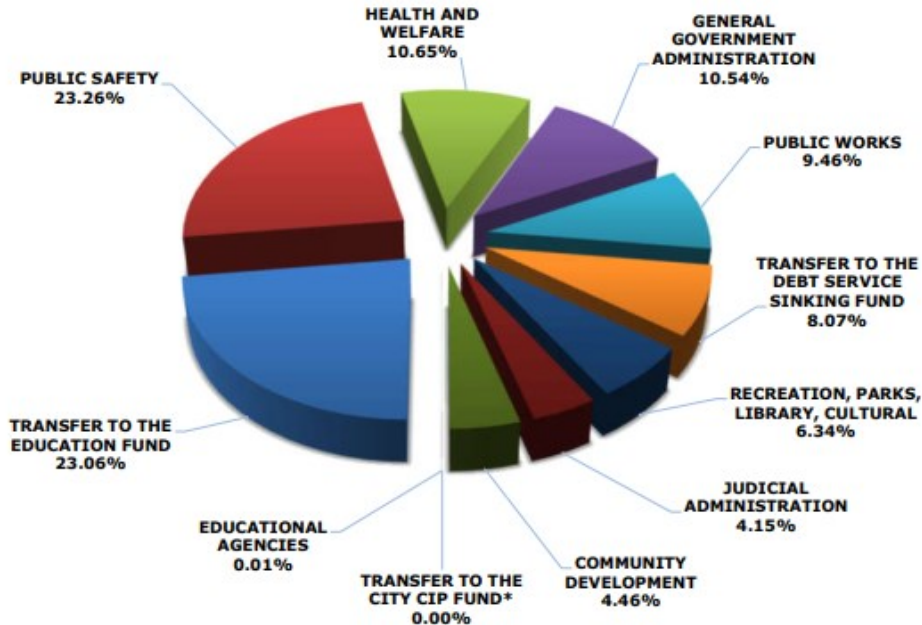
Total Expenditures—All Funds

\$152.3 M



General Fund Expenditures

\$69.3 M



TRANSFER TO THE EDUCATION FUND	\$	15,970,171
PUBLIC SAFETY		16,110,574
HEALTH AND WELFARE		7,374,026
GENERAL GOVERNMENT ADMINISTRATION		7,298,548
PUBLIC WORKS		6,554,554
TRANSFER TO THE DEBT SERVICE SINKING FUND		5,591,903
RECREATION, PARKS, LIBRARY, CULTURAL		4,392,841
JUDICIAL ADMINISTRATION		2,872,144
COMMUNITY DEVELOPMENT		3,090,590
TRANSFER TO THE CITY CIP FUND*		0
EDUCATIONAL AGENCIES		9,000
TOTAL GENERAL FUND EXPENDITURES	\$	69,264,351

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

Expenditure Details—Personnel

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- ❖ Phased implementation of a compensation study completed in 2022
- ❖ Effective July 1, 2023– 5% cost of living increase for all full and part time city employees = \$1.05M
- ❖ Adjustments to new minimum salary ranges and compression adjustments, where needed = \$172,425
- ❖ Police Department and Fire & Rescue adjustments to new starting pay done in FY 2023:
 - ❖ Police - \$44,100 to \$47,000
 - ❖ Fire & Rescue - \$40,000 to \$42,000
- ❖ **Health Insurance** –increase of 10% for the city and in employee paid premiums

Expenditure Details—Education

- ❖ Proposed transfer from the city totaling **\$15.97M**, equals 23.06% of the city's General Fund budget
 - ❖ Increase of **\$904,934**
- ❖ School Board adopted budget = **\$46.6M**, an increase of \$3.0M over FY 2023
- ❖ Outstanding General Fund Debt service for schools equals over \$45.6M, represents 80% of total debt



Public Safety – Increase of \$1.2M

Major drivers include:

- Citywide compensation package and health care costs
- Annualization of FY 2023 starting salary adjustments for Police and Fire & Rescue
- Middle River Regional Jail \$231,158 increase
- Shenandoah Valley Juvenile Center \$222,448 increase
- Shenandoah Valley Animal Services Center \$89,141 increase
- \$65,000 for Emergency Medical Dispatch software that is no longer supported



Health and Welfare – Decrease of \$538,612

Major drivers include:

- Reduction of city's share (25.45% of total cost) of Shenandoah Valley Social Services administrative expenses and child welfare assistance
- Reduction in Children's Services Act projection
- Central Shenandoah Health District \$11,889 increase
- Valley Community Services Board \$46,795 increase
 - CSB proposes to use funds to "stand up" crisis receiving center/crisis stabilization center



Community Development – Increase of \$288,395

Major drivers include:

- Citywide compensation package and health care costs



New position – Director of Community Development - \$130K plus benefits

- Currently, there is one department that oversees both Economic and Community Development departments, respectively
- Having a department head for both will allow each to focus on those distinct areas, rather than splitting up their time, and will make both of these functions more efficient
- Will make strides in several strategic areas that City Council most recently reaffirmed at their retreat: *Economic Development, Responsive, Efficient Government, and the West End*

General Government – Increase of \$549,191

Major drivers include:

- Citywide compensation package and health care costs
- Budgeted attrition savings of \$300,000 offset by a portion of the compensation adjustments that are budgeted in Finance Department's budget
- An Accounting Technician funded in the Water Fund has been moved to the General Fund
- \$22,000 for firefighter physical exams
- \$17,000 in the Clerk of Council's budget for actual and increasing costs of publishing legal notices

Public Works — Increase of \$168,864

Major drivers include:

- Citywide compensation package and health care costs



Water Fund

- Virginia Department of Health has changed staffing requirements for Class 1 waterworks
- Budget includes two additional operator positions
- The final two positions will be considered with the FY 2025 budget

Recreation, Parks, Library – Increase of \$232,105

Major drivers include:

- Citywide compensation package and health care costs
- \$30,000 to replace the trees at The Wharf



FY 2024 Capital Improvement Plan

\$5.55M

Funded from FY 2022 Carryover \$850,000

- \$300,000 Fire truck replacement reserve
- \$125,000 Bike and pedestrian project
- \$100,000 Greenways projects
- \$225,000 Building maintenance – Pump House at Gypsy Hill Park
- \$100,000 Dog park lights



Funded from FY 2023 Carryover \$2.2M*

- \$30,000 Fire & Rescue breathing apparatus
- \$10,000 Fire & Rescue cardiac monitor
- \$100,000 Sidewalks
- \$100,000 Public Works equipment fund
- \$100,000 Public Works building fund
- \$41,050 Blue Ridge Community College capital share

**To balance the FY 2024 Budget, the \$1.3M General Fund transfer for CIP reserves was eliminated; the CIP will be funded with projected FY 2023 year end carryover. This is in addition to the original \$900K that was planned to be funded with carryover.*

Funded from FY 2023 Carryover \$2.2M (con't)

- \$100,000 School capital reserves
- \$100,000 Ineligible streets/parking lots
- \$140,000 Adaptive traffic control
- \$150,000 Nutanix cluster hardware
- \$100,000 Montgomery Hall Park fiber
- \$65,000 Library space needs study
- \$90,000 Additional funding for Gypsy Hill Park bathroom renovations
- \$160,000 Practice field lighting at Montgomery Hall Park
- \$100,000 CAD/RMS system replacement
- \$600,000 Moxie Stadium renovation
- \$200,000 Core network router replacement





FY 2024 Capital Improvement Plan

\$5.55M

Funded from Capital Reserves, \$725,000

- \$725,000 Churchville pedestrian corridor improvements

Funded from Virginia Department of Transportation Revenue Sharing, \$1,786,524

- \$675,000 Churchville pedestrian corridor improvements
- \$1,111,524 High visibility crosswalks*

**After the Proposed Capital Budget was presented to City Council in January, staff received notice that this project was funded.*

Budget includes \$6.16M for the debt sinking fund

❖ \$5,591,903 transfer from General Fund to Debt Sinking Fund

- \$5.36M fully funds the city's responsibility for what is currently owed by the city and to keep the sinking fund solvent as far as current debt
- \$232K designated for future debt issuance

❖ There is additional **\$570,374** in anticipation of future debt issuance (exact amount unknown at this time) for known capital projects, such as separation of the Juvenile and Domestic Relations Court from Augusta County

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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 FY 2024 CIP funding to be funded with projected FY 2023 carryover = \$1.3M
- ❖ New department requests remain unfunded
 - ❖ \$532,690 in new/upgraded positions and enhanced benefits
 - ❖ More than \$801,000 in operational expenses
- ❖ Budgeted attrition savings = \$300,000
- ❖ Debt Service Sinking Fund reduced by \$570,374 to fund future debt issuance

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- ❖ Completion of demolition at Staunton Crossing
 - ❖ Grants received for economic development efforts and downtown area:
 - ❖ \$4.5M Virginia Business Ready Site Program for Staunton Crossing
 - ❖ \$99,000 Virginia Industrial Revitalization Funds for former Western State Hospital Steam Plant project
 - ❖ Second year of \$300,000 EPA Brownfields Assessment Grant for the revitalization of the West End
 - ❖ Richmond Avenue corridor – new home to several businesses
 - ❖ *Sentara Primary Care, Express Car Wash, Micha's Coffee, several business relocations to Staunton Crossing (Wendy's, Waffle House)*

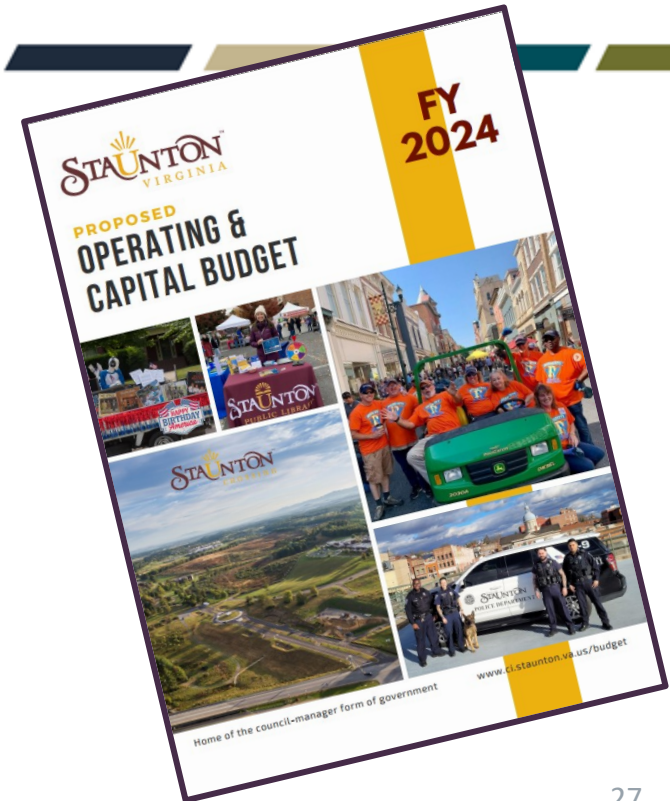
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- ❖ Downtown and Near Downtown – new home to several businesses
 - ❖ *New Bears and Blankets location, new space for Gloria's Pupuseria, Sweet Addies Waffle Shop, Remedy Burger, Slyde 23, Billy Opal, Burrow and Vine, Accordia, Queen City Games and Gifts, new home for Magdalena's on Central Ave.*
 - ❖ Software to operate the nine flood sensors and gauges - will provide information for best locations of flood mitigation practices, for example
 - ❖ Accolades include:
 - ❖ *The South's Best Mountain Town of 2022; One of the Best Southern Mountain Towns for Retirement; and One of America's Most Historic Streets*

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- ❖ Fourth year as HUD entitlement community directed to help low to moderate income families and infrastructure projects in their neighborhoods, receiving over \$317,340 in CDBG/HUD funds
 - ❖ GFOA Distinguished Budget Presentation Award for FY 2023 Adopted Budget
 - ❖ GFOA Certificate of Achievement for Excellence in Financial Reporting for FY 2022 Annual Comprehensive Financial Report

Many thanks to the entire finance/budget/revenue team, and our team of directors and staff of all the city departments and regional agencies for their tireless commitment and passion towards serving the Staunton community. None of this is possible without them.

Excerpt from Budget Message...

“We need to plan for what’s ahead of us.”



FY 2024 Budget at www.ci.staunton.va.us/budget

Hardcopies of the budget can be reviewed in the City Manager's Office and the Library

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

or 540.332.3810

Public Meetings/Work Sessions

April 6, 13, 20 and 27 (budget adoption)

Public Hearings

March 23 – Real Estate Tax Rate

April 13 – Overall Budget Ordinance



www.ci.staunton.va.us/budget



CityCouncil@ci.staunton.va.us