



City Manager's FY 2025 Proposed Budget

**March 28, 2024
City Council Work Session**

Overall Proposed Budget

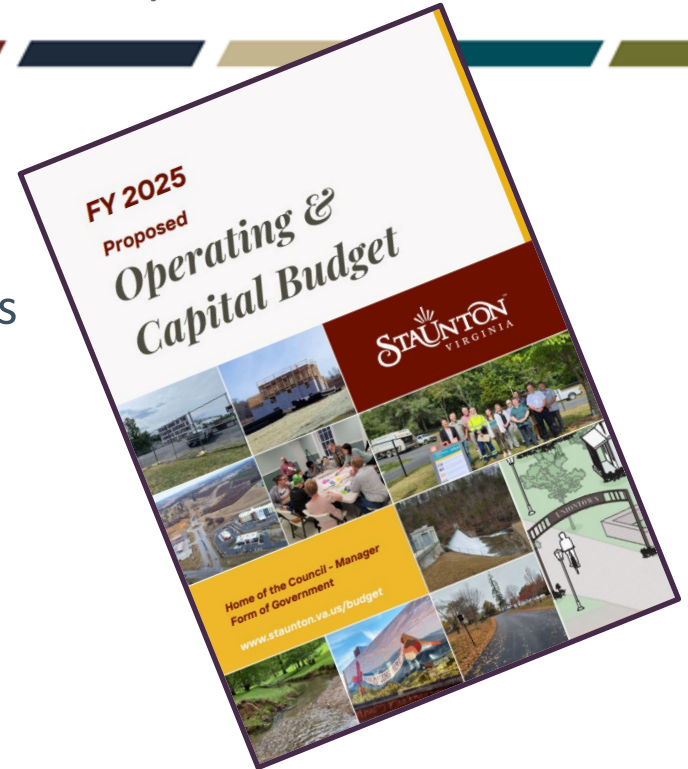
July 1, 2024—June 30, 2025

Total proposed budget is **\$148,269,045** for all funds

❖ \$5.5 million (or 3.6%) decrease over FY 2024

General Fund proposed budget is **\$73,230,288**

❖ \$3.4 million (or 4.9%) increase over FY 2024



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- A horizontal decorative bar composed of several colored segments: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and olive green.
- ❖ Fully supports City Schools
 - ❖ Focuses on City Council Strategic Goal areas
 - ❖ Provides stability in city services
 - ❖ Focuses on aspirations, goals & future financial health
 - ❖ Prepares the city for what's ahead of us
 - ❖ Continues to address competitive compensation
 - ❖ Real Estate Tax Rate remains at **\$.89/\$100 assessed value**

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.

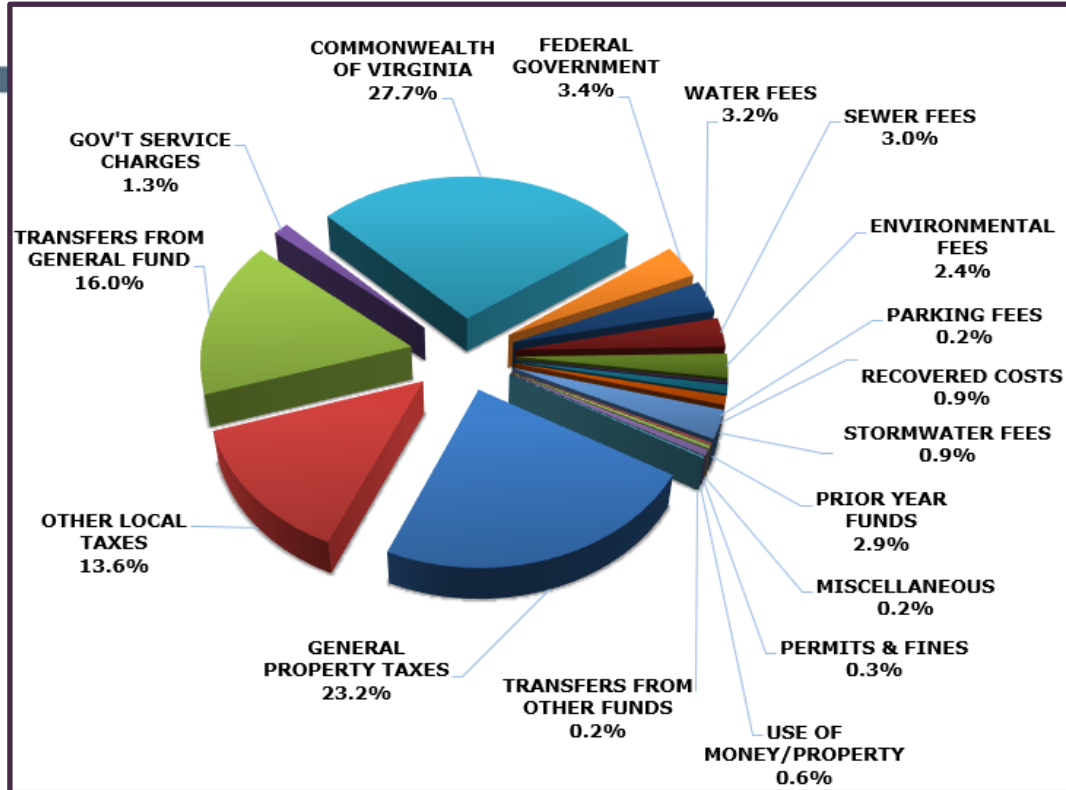
OUR VISION

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

You belong here!

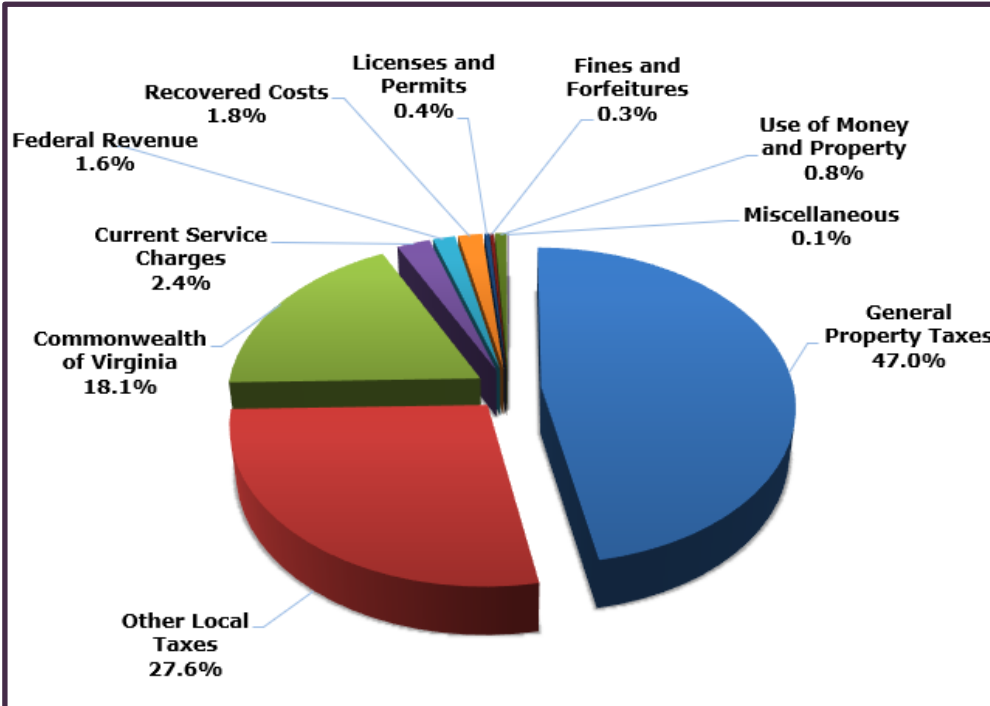
Total Revenues—All Funds

\$148.3 M



General Fund Revenues

\$73.2 M



Category	FY2025	
General Property Taxes	\$	34,407,774
Other Local Taxes		20,219,522
Commonwealth of Virginia		13,256,202
Current Service Charges		1,753,889
Federal Revenue		1,179,557
Recovered Costs		1,282,644
Licenses and Permits		269,200
Fines and Forfeitures		197,500
Use of Money and Property		615,000
Miscellaneous		49,000
Total Revenues	\$	73,230,288

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❖ Other Local Taxes

- Sales tax revenue increase by \$350,000
- Transient occupancy tax revenue level with FY 2024 projections
- Meals tax revenue increase by \$675,000
- BPOL increase by \$100,000
- Personal property revenue increase by \$207,200

❖ State and Federal Funding

- State revenue projected increase of over \$272,850
- Federal funding projected decrease of \$60,295

Proprietary Funds – Water User Fee Changes

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Proposed Water User Fee Increase of 5% or \$.20 per HCF

- ❖ Four years since last increase
- ❖ \$155,200 in additional revenue
- ❖ Impact on minimum bi-monthly bill is \$1.00; for a household with average consumption, increase of \$2.80 per billing cycle, or \$16.80 a year
- ❖ Necessary to fund growing operating expenditures and infrastructure improvements
 - \$19 million capital budget needs over 5 years
 - New mandated positions and other increases due to the cost of operations

Proprietary Funds – Sewer User Fee Changes

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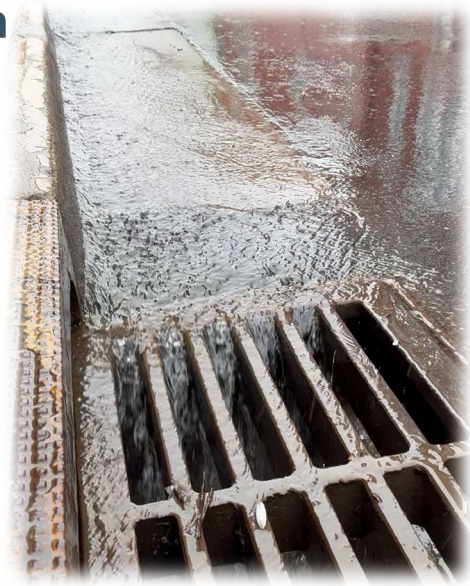
Proposed Sewer User Fee Increase of 15% or \$.72 per HCF

- ❖ Twelve years since last increase
- ❖ \$555,000 in additional revenue
- ❖ Impact on minimum bi-monthly bill is \$3.60; for a household with average consumption, increase of \$10.08 per billing cycle, or \$60.48 a year
- ❖ Necessary to fund growing operating expenditures and infrastructure improvements
 - Current capital budget shortfall = \$3 million and will need to use sewer fund balance to balance FY 2025 budget
 - \$4.8 million in capital budget needs over 5 years
 - Currently funds do not cover short term needs

Proprietary Funds – Stormwater User Fee Changes

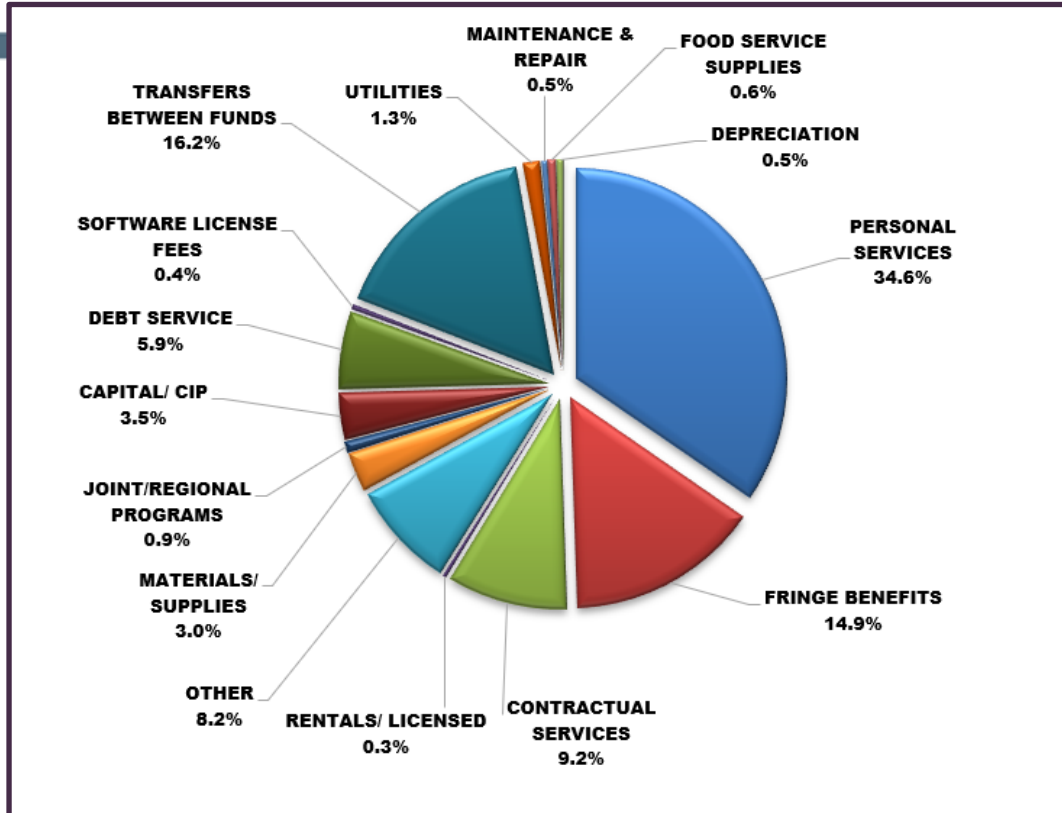
Proposed Stormwater minimum fee increase from \$3.20 to \$5.00; Change to crediting system from max 6 tier reduction to 2 tier reduction

- ❖ Wiley|Wilson Stormwater Study presented in December 2023
- ❖ Fourteen years since last increase
- ❖ \$576,000 increase in additional revenue
- ❖ Necessary to fund growing operating expenditures and infrastructure improvements
 - Does not fully fund five year CIP which exceeds \$11 million through FY 2028
 - May require a debt issuance in FY 2027 or FY 2028
- ❖ Rate will be re-evaluated with the next five year review cycle



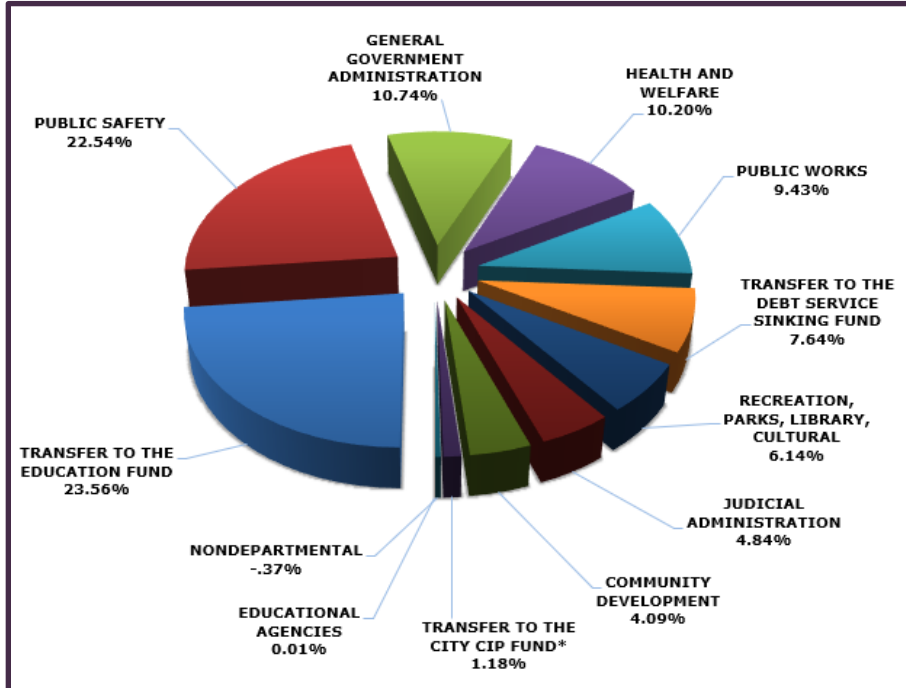
Total Expenditures—All Funds

\$148.3 M



General Fund Expenditures

\$73.2 M



	FY2025 PROPOSED
TRANSFER TO THE EDUCATION FUND	\$ 17,256,610
PUBLIC SAFETY	16,502,849
GENERAL GOVERNMENT ADMINISTRATION	7,863,858
HEALTH AND WELFARE	7,470,044
PUBLIC WORKS	6,905,910
TRANSFER TO THE DEBT SERVICE SINKING FUND	5,591,903
RECREATION, PARKS, LIBRARY, CULTURAL	4,492,840
JUDICIAL ADMINISTRATION	3,545,290
COMMUNITY DEVELOPMENT	2,998,401
TRANSFER TO THE CITY CIP FUND*	861,783
NONDEPARTMENTAL	(268,200)
EDUCATIONAL AGENCIES	9,000
TOTAL GENERAL FUND EXPENDITURES	\$ 73,230,288

*Remaining FY2025 CIP will be funded with carry over funds from FY2024. ¹²

Expenditure Details—Personnel

- ❖ Effective July 1, 2024– 3% cost of living increase for full and part time employees = \$800K (all funds)
- ❖ Health Insurance –budgeted increase of 10% for the city and in employee paid premiums
 - Will not know final costs until late 2024



Expenditure Details—Education

- ❖ Proposed transfer from the city totaling **\$17.26 million** equals 23.56% of the city's General Fund budget
 - Increase of **\$1.3 million** over FY 2024
- ❖ School Board adopted budget = **\$48.4 million**, an increase of **\$1.8 million** over FY 2024
- ❖ Outstanding General Fund Debt service for schools equals **\$44 million**, represents **82%** of total debt



Judicial Administration— Increase of \$673,146

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ Five additional Sheriff Deputies for new Juvenile & Domestic Relations District Court facility
 - Salaries and benefits = \$295,235
 - Operational in late 2025
 - Two hired after July 1; three hired after January 1



Public Safety – Increase of \$475,225

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ Middle River Regional Jail increase of \$131,851
- ❖ Nonprofit Agency Partner
 - Valley Children Advocacy Center increase of \$7,884



Health and Welfare – Increase of \$97,436

Major drivers include:



- ❖ Central Shenandoah Health District \$25,206 increase
- ❖ Valley Community Services Board \$24,713 increase
 - CSB proposes, for second year, to use funds to “stand up” crisis receiving center/crisis stabilization center
- ❖ Nonprofit Agency Partner
 - Valley Program for Aging Services \$4,000 increase



Community Development – Net decrease of \$6,055

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ Enterprise permitting and inspections software = \$55,671
- ❖ Staunton Crossing Marketing Plan remaining portion = \$20,625 (first half with City ARPA funds)
- ❖ Nonprofit Agency Partners:
 - Central Shenandoah Planning District Commission
 - Historic Staunton Foundation \$5,000 increase



General Government – Increase of \$587,369

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ New Positions (cost includes salaries + benefits)
 - City share of a Radio Communication Manager = \$22,054
 - Part time position in General Registrar's Office = \$19,550
- ❖ City Council Contingency Funds = \$50,000
- ❖ Attrition savings previously budgeted in Finance is now in Nondepartmental = \$300,000



Public Works – Increase of \$360,356

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ New Position
 - Deputy City Engineer = \$137,074 (salary + benefits)



Water Fund

- ❖ Virginia Department of Health has changed staffing requirements for Class 1 waterworks
- ❖ New Positions
 - Two additional water treatment operators = \$138,896 (salaries + benefits)

Recreation, Parks, Library – Increase of \$185,699

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2024
- ❖ Additional State Aid for library books, furniture and fixtures to improve seating areas



FY 2025 Capital Improvement Plan

\$5.40 M

Funded from FY 2024 Carryover \$2.89 M*

- \$350,000 Fire truck replacement reserve
- \$30,000 Fire & Rescue breathing apparatus
- \$10,000 Fire & Rescue cardiac monitor
- \$125,000 Bike and pedestrian project
- \$100,000 Greenways project
- \$41,050 Blue Ridge Community College capital share
- \$100,000 School capital reserves
- \$100,000 Ineligible streets/parking lots
- \$140,000 Adaptive traffic control
- \$375,000 CAD/RMS system replacement
- \$100,000 Sidewalks
- \$100,000 Public Works equipment fund
- \$100,000 Public Works building fund
- \$600,000 Moxie Stadium renovation
- \$100,000 Core network fiber replacement
- \$350,000 Replacement of retaining wall and supported sidewalk – West Johnson St.
- \$170,000 E911 Electrical upgrades and console replacement

**To balance the FY 2025 Budget, the FY 2025 CIP will be funded with projected FY 2024 year end carryover.*

FY 2025 Capital Improvement Plan

\$5.40 M

Funded from FY 2025 General Fund Transfer \$861,783

- \$287,261 Public Library building and space improvements reserve
- \$287,261 West End revitalization reserve
- \$287,261 Uniontown neighborhood action plan reserve

Funded from CIP Reserves \$100,000

- \$100,000 Uniontown property surveys

Funded from VDOT Reimbursable Funds \$500,000

- \$500,000 Evaluation & Repair of North Madison St from West Frederick to North Jefferson



FY 2025 Capital Improvement Plan

\$5.40 M

Funding TBD

- \$350,000 Maintenance for Gypsy Hill Park Pump House (\$131,000 funded from reserves)
- \$700,000 Gypsy Hill Park pool house improvements



Budget includes \$6.73 million for the debt sinking fund

- ❖ \$5.6 million transfer from General Fund 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
- ❖ Additional \$1.2 million, from sinking fund, 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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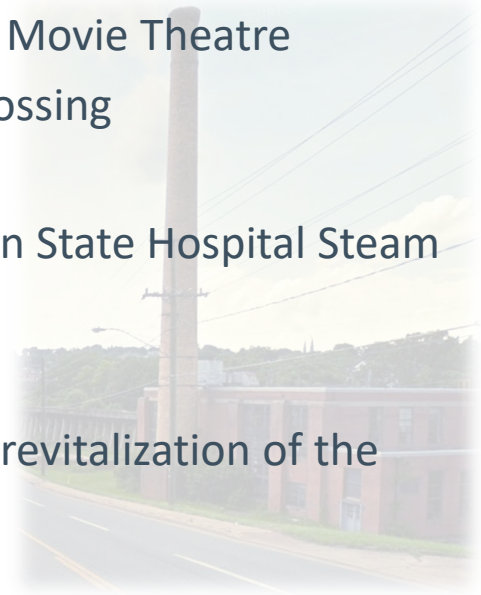
Budgets are all about choices and making difficult decisions and are based on Council priorities, sound financial and management principles and experience

- ❖ FY 2025 CIP funding to be funded with projected FY 2024 carryover = \$2.9 million
- ❖ New department requests remain unfunded
 - \$1.6 million in new/upgraded positions and enhanced benefits
 - More than \$1.4 million in operational and equipment requests
- ❖ Budgeted attrition savings = \$300,000
- ❖ Budgets \$1.2. million from Debt Service Sinking Fund to account for future debt issuance

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Grants received for economic development efforts and downtown area:

- ❖ \$100,000 Industrial Revitalization Planning Grant for former Dixie Movie Theatre
- ❖ \$4.5 million Virginia Business Ready Site Program for Staunton Crossing
 - ❖ \$13.2 million application submitted for water infrastructure
- ❖ \$99,000 Virginia Industrial Revitalization Funds for former Western State Hospital Steam Plant project
 - ❖ \$1.5 million loan application to continue restoration efforts
- ❖ Final year of \$300,000 EPA Brownfields Assessment Grant for the revitalization of the West End



Accomplishments

- ❖ Richmond Avenue corridor – *Sentara Primary Care, Express Car Wash, Micha's Coffee, Walmart expansion, Firestone Complete Auto Care, Cook Out*
- ❖ Greenville Avenue corridor – *Planet Fitness, Dunkin Donuts*
- ❖ Downtown corridor – *Latin Soul, Baby Opal, SolArt Center, Foxtails, Cosette Café, Bijou*
- ❖ New Housing – *Middlebrook Trace & Middlebrook Trace II, The Hills, Lawyers Row, Staunton Steam Laundry, The Villages*



❖ Infrastructure projects:

Gardner Springs Pump Station; Rockway Water Line Replacement; Gypsy Hill Park Stream Restoration

❖ Uniontown Neighborhood Action Plan

❖ West End Revitalization Strategy

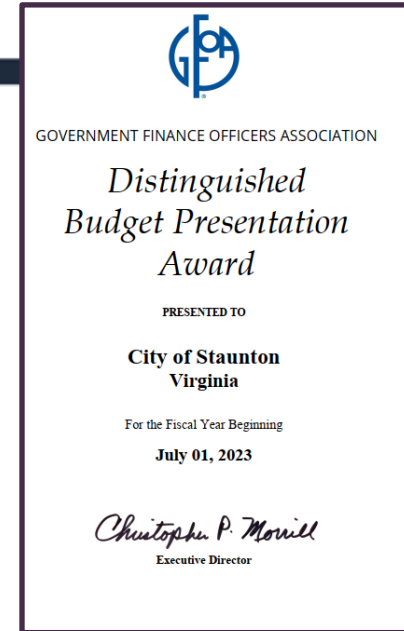
❖ Fifth year as HUD entitlement community directed to help low to moderate income families and infrastructure projects in their neighborhoods, receiving over \$319,000 in CDBG/HUD funds

"One of the Best Small Towns to Retire"

"The Shenandoah Valley's Best Kept Secret"

"One of the Best Main Streets You Need to Visit ASAP"

- ❖ GFOA Distinguished Budget Presentation Award for FY 2024 Adopted Budget
- ❖ GFOA Certificate of Achievement for Excellence in Financial Reporting for FY 2023 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.

FY 2025 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

Budget Work Sessions

April 4, 11 (joint with City Schools), 18 (tent.) and 25

Public Hearings

April 11 – Overall Budget Ordinance; Fee Rates for Water, Sewer
and Stormwater Funds

Scheduled Budget Adoption

April 25



www.ci.staunton.va.us/budget



CityCouncil@ci.staunton.va.us