STAUNTON
VIRGINIA

City Manager’s Proposed Budget
FY 2025
City Council Budget Work Session

April 4, 2024

Overall Proposed Budget

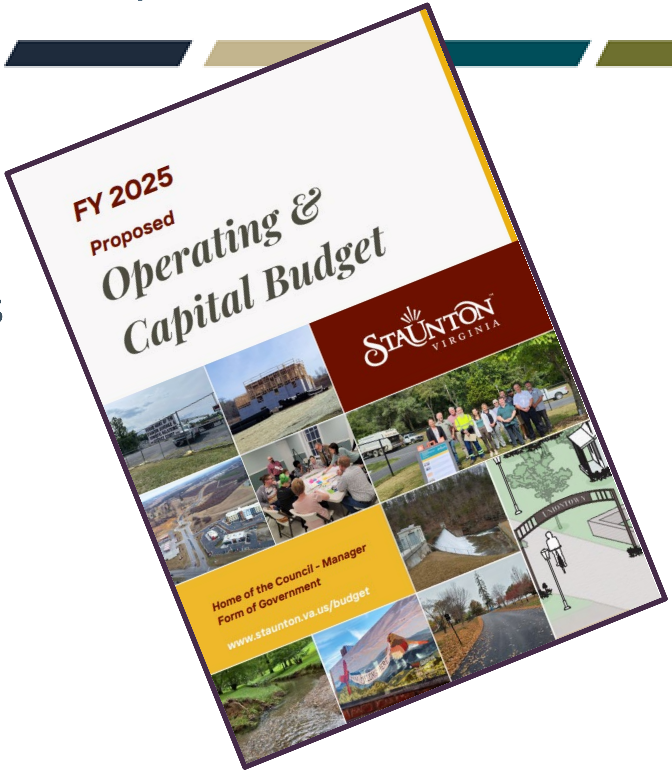
July 1, 2024—June 30, 2025

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



- **The funding formula is in place and it is working! It relies heavily on real and property taxes, which provide for a more stable revenue figure for schools. Uses audited numbers and not budget.**
- **Local Contribution to the Schools for FY2025 is fully funded using the new funding formula.**
    - FY2025 Local School Contribution is $17,256,610 (23.56% of city budget), increase of $1,286,439 or 8.1% higher than prior year.
    - 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

General Fund Increase $3,391,415

- **Top Revenue Changes**
  - RE public service - $200,000
  - Personal property - $207,200
  - Sales tax - $350,000
  - Interest income - $505,000
  - Real estate taxes - $653,063
  - Meals tax - $675,000

- **Top Expense Changes**
  - Schools - $1,286,439
  - 5 Sheriff Deputies - $295,235
  - 3% COLA - $682,500
  - Outside Agencies - $108,819
  - Regional Jail - $131,851
  - Deputy Engineer - $137,074

Interest Income

- CFO and Treasurer worked together move funds out of our main bank account to take advantage of interest rates.
- As of March 31, 2024 (City and school funds combined)
  - $46,317,878 Virginia Investment Pool (VIP) at 5.47%
  - $20,320,894 Truist Money Market between 3-3.5%
  - $8,795,476 Truist Operating Account between 1.5-2%
  - $11,831,256 US Bank Accounts (interest and returns vary)
  - $401,412 LGIP at 5.5% (school only)

Interest Income cont.

- Interest earned through March 31st is **$2,465,000**!

- Biggest Earners:
  - **<u>City CIP fund - $660,000</u>**
    - Will be appropriated to a CIP project.
  - **<u>General fund - $576,000</u>**
    - 3 PD Vehicles, Wharf Tree Replacement, Crossing Marketing, Entrance Corridor Overlay
  - **<u>Water fund - $330,000</u>**
    - Will contribute to fund balance for future capital projects.
  - **<u>School CIP - $190,000</u>**
    - Purchasing 2 activity buses
  - **<u>Sewer fund - $175,000</u>**
    - Will contribute to fund balance for future capital projects.
  - **<u>Stormwater fund - $155,230</u>**
    - Will contribute to fund balance for future capital projects.

(Other funds earning interest are the Debt Fund, Health Fund, Environmental Fund, etc)

Debt Service Sinking Fund

$6.73M

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 balance to cover the debt service for the bond issuance related to the Juvenile and Domestic Relations Court from Augusta County.

STAUNTON VIRGINIA

General Fund Debt

PROJECT	OUTSTANDING DEBT JULY 1, 2024	FISCAL YEAR MATURITY DATE(S)	PRINCIPAL PAYMENTS		
GENERAL FUND DEBT:					
SCHOOLS - STAUNTON HIGH SCHOOL	$ 40,610,000	2050	$ 890,000	$ 43,928,096.00	
2021 C GO REFUNDING BONDS:					
MCSWAIN - SERIES 2021 C REFUNDING	1,601,448	2029	309,123	82%	SCHOOL DEBT
WARE - SERIES 2021 C REFUNDING	1,601,448	2029	309,123		
ENERGY (05 ref school 60%)	192,000	2025	192,000		
FIRE STATION(05 ref City 40%)- SERIES 2021C	128,000	2025	128,000		
STAUNTON CROSSING 2012 - SERIES 2021C	2,900,000	2028	670,000		
STAUNTON CROSSING 2013 - SERIES 2021C	1,410,000	2028	325,000		
City 07 refunding-SERIES 2021 C GO REFUNDING BONDS	5,307,104	2034	451,754	$ 9,821,904	
TOTAL GOVERNMENTAL DEBT	$ 53,750,000		$ 3,275,000	18%	CITY DEBT

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

Budget Balancing

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

Budget Balancing
Unfunded New Requests

FY 2025 GENERAL FUND BUDGET

UNFUNDED REQUESTS

WAGES AND BENEFITS

SHERIFF	$	(532,403)	11022170-51006 REQUESTED 12 POSITIONS IN TOTAL, APPROVED 5 FOR FY25
COMMONWEALTH ATTORNEY	$	(100,000)	11022210-51007 ADDITIONAL POSITION NEEDED FOR PATHWAYS
FIRE DEPARTMENT	$	(92,874)	11033210-51006 REQUESTED EMERGENCY COORDINATOR
FIRE DEPARTMENT	$	(315,351)	11033210-51006 REQUESTED 3 BATTALION FIRE CHIEFS
FIRE DEPARTMENT	$	(228,174)	11033210-51006 REQUESTED 3 FIREFIGHTER/EMT BASIC
LIBRARY	$	(112,764)	11077510-51006 REQUESTED STAFFING ADDITION
COMMISSIONER OF THE REVENUE	$	(60,974)	11011330-51007 REQUESTED STAFFING ADDITION
PUBLIC SAFETY	$	(150,000)	11011310-58389 HAZARDOUS DUTY VRS MULTIPLIER
	$	(1,592,540)	TOTAL UNFUNDED PERSONNEL REQUESTS

Budget Balancing
Unfunded New Requests

OPERATIONS AND CAPITAL			
INFORMATION TECHNOLOGY	$	(10,000)	11011510-58342 COMPUTER EQUIPMENT
SHERIFF	$	(62,000)	11022170-58316 VEHICLE
SHERIFF	$	(62,000)	11022170-58316 VEHICLE
POLICE	$	(75,000)	11033110-58316 1 PATROL PC
POLICE	$	(75,000)	11033110-58316 1 PATROL PC
POLICE	$	(75,000)	11033110-58316 1 PATROL PC
POLICE	$	(75,000)	11033110-58316 1 PATROL PC
INSPECTIONS	$	(6,500)	11033410-55486 NON CAPITAL EQUIPMENT
INSPECTIONS	$	(4,800)	11033410-58342 COMPUTER EQUIPMENT
PARKS AND RECREATION ADMIN	$	(23,000)	11077110-58399 RESURFACE BTW BASKETBALL COURT
PARKS AND RECREATION ADMIN	$	(45,000)	11077110-58399 RESURFACE JOHN LANCASTER COURTS
PARKS AND RECREATION ADMIN	$	(36,000)	11077110-58399 RESURFACE GYPSY HILL PARK TENNIS COURTS
PARKS AND RECREATION ADMIN	$	(24,000)	11077110-58399 SAND AND REPAINT GYPSY HILL GYM FLOOR
HORTICULTURE	$	(85,000)	11077120-58316 F550 DUMP TRUCK
HORTICULTURE	$	(75,000)	11077120-58321 BRUSH CHIPPER
HORTICULTURE	$	(3,000)	11077120-58321 GRAPPLE BUCKET ATTACHMENT
HORTICULTURE	$	(2,500)	11077120-58321 BRUSH RAKE

STAUNTON VIRGINIA

Budget Balancing
Unfunded New Requests

GOLF	$	(10,700)	11077130-55486	GPS MONITORING
PARK MAINTENANCE	$	(50,000)	11077210-58316	VEHICLE
PARK MAINTENANCE	$	(15,000)	11077210-58326	ZERO TURN MOWER
PARK MAINTENANCE	$	(54,000)	11077210-58326	VENTRAC MOWER
PARK MAINTENANCE	$	(29,000)	11077210-58326	PULL BEHIND FINISH MOWER
PARK MAINTENANCE	$	(70,000)	11077210-58326	LEAF VAC
PARK MAINTENANCE	$	(70,000)	11077210-58326	FAIRWAY UNIT
PARK MAINTENANCE	$	(30,000)	11077210-58326	BALLFIELD MACHINE
PARK MAINTENANCE	$	(20,000)	11077210-58341	OTHER EQUIPMENT
LIBRARY	$	(57,228)	11077510-58311	FURNITURE
LIBRARY	$	(4,100)	11077510-55486	NON CAPITAL EQUIPMENT
ECONOMIC DEVELOPMEMT	$	(20,625)	11088150-53010	PROFESSIONAL SERVICES
ECONOMIC DEVELOPMEMT	$	(10,000)	11088150-53020	ENTERPRISE ZONE INCECNTIVES
PLANNING	$	(20,625)	11088110-53010	CROSSING MARKETING PLAN (FUNDED AT HALF)
OUTSIDE AGENCIES	$	(165,162)	MULTIPLE	REDUCED TO CURRENT CONTRIBUTION LEVELS
	$	(1,365,240)	TOTAL UNFUNDED OPERATING REQUESTS	
	$	(2,957,780)	TOTAL ALL UNFUNDED REQUESTS	

Looking Forward

- The city has some important requirements coming at us in the next few years. We will want to keep these in mind as we move through the FY2025 budget process.
  - The Harrisonburg/Rockingham jail buy in ends in FY2025. Results in a loss of revenue in FY2026 of $656,000.
  - Final JDR Court relocation costs and related debt service
  - JDR Court Operating Cost to start in FY2025 and fully operational in FY2026
  - MS4 (Municipal Separate Storm Sewer System) Program requirements
  - West End Revitalization
  - Uniontown Infrastructure Improvements
  - Greenways and Pedestrian Infrastructure
  - Public Safety and Other General Government Space Needs
  - Future Capital Needs for Schools

FY2025 CIP – GENERAL FUND

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

City CIP Reserves

Reserve Description	Year Started	Life-to-Date as of March 14, 2024 Funding	Spending	Transfers	Current Encumbrance	Current Balance March 14, 2024	Future FY2024 Funding	FY2024 Funding Source
Reoccurring Reserves								
Fire Truck Reserve	FY2011	2,704,384	(2,439,293)	-	-	265,091	300,000	FY2023 Carry over funds
Paving Ineligible Streets / City Parking Lots	FY2011	1,693,133	(1,630,683)	(37,883)	-	24,567	100,000	FY2023 Carry over funds
New Sidewalks	FY2014	900,000	(24,350)	-	(950)	874,700	100,000	FY2023 Carry over funds
Brick Sidewalk Projects	FY2015	700,000	(85,162)	(414,833)	-	200,004	-	No longer funded.
Public Works Large Equipment Fund	FY2016	700,000	(480,903)	-	(225,162)	(6,065)	100,000	FY2023 Carry over funds
Public Works Building Maintenance Fund	FY2016	700,000	(165,765)	(200,000)	(21,932)	312,303	100,000	FY2023 Carry over funds
Greenways Projects	FY2017	700,000	-	-	-	700,000	100,000	FY2023 Carry over funds
Adaptive Traffic Control	FY2020	440,000	(385,285)	-	(13,990)	40,725	140,000	FY2023 Carry over funds
Bike & Pedestrian Projects	FY2020	500,000	(28,825)	-	(9,857)	461,318	125,000	FY2023 Carry over funds
Fire Department-Self Contained Breathing App.	FY2022	60,000	-	-	-	60,000	30,000	FY2023 Carry over funds
Fire Department-Cardiac Monitors	FY2022	20,000	-	-	-	20,000	10,000	FY2023 Carry over funds
Public Library Reserve	FY2024	287,261	-	-	-	287,261	-	FY2024 Operating Budget
West End Revitalization	FY2024	287,261	-	-	-	287,261	-	FY2024 Operating Budget
Uniontown Improvements Reserve	FY2024	287,261	-	-	-	287,261	-	FY2024 Operating Budget
		9,979,300	(5,240,267)	(652,716)	(271,890)	3,814,426		
Temporary Reserves								
Replace CAD/RMS System	FY2024	-	-	-	-	-	100,000	FY2023 Carry over funds
Moxie Stadium Renovation	FY2024	-	-	-	-	-	600,000	FY2023 Carry over funds

GHP Pool House PAR

Gypsy Hill Park Pool House

- Preliminary Architectural Report (PAR) completed January 25, 2024 for $30,267
- ARPA Funds remaining **$169,733**
- Current Building
  - Built in the 1950's, 4,506 sq ft
  - Not ADA accessible
  - Steel deck, stairs and rails and joists show corrosion
  - Signs of water infiltration
  - Crumbling concrete
  - Failing ramp and retaining wall
  - Fixtures do not meet code
  - Corroded piping

GHP Pool House PAR Cont.

Three Recommendations from PAR:

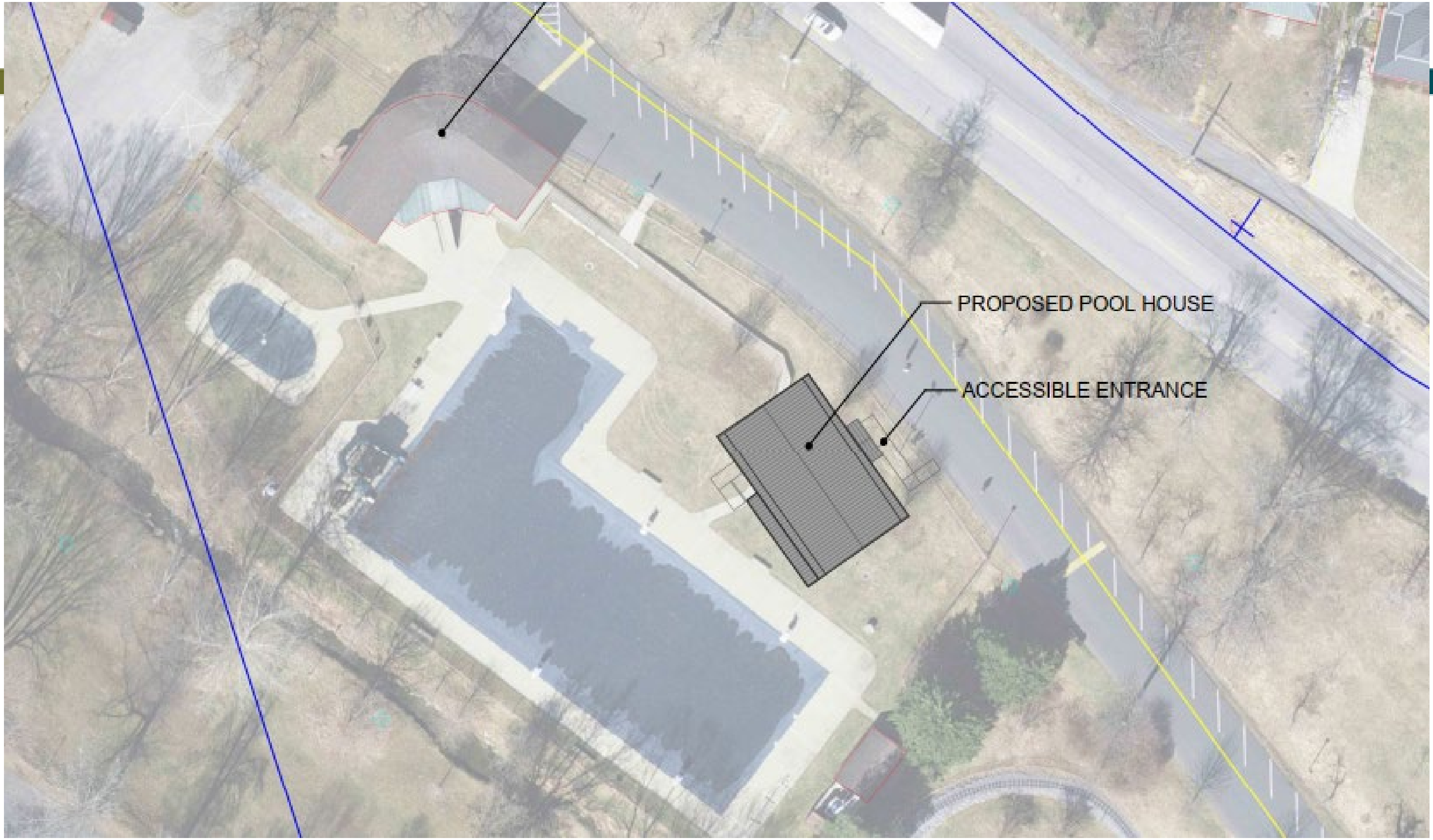
1. Renovate Existing Building - **$1,377,800**
   - Renovation of the existing building.
   - Makes building accessible.
   - New fixtures, stairs, ramp, floors, etc.

2. New Building 2,200 sq ft - **$1,749,100**
   - 2,200 sq ft
   - One foot above base flood elevation
   - Street level, approximately mid-pool
   - Existing building stays open until new is built

3. Bare Min. Structural Improvements - **$297,400**
   - Required for safety concerns
   - Extends life 5-10 years
   - Still not accessible
   - Interior painting, but not other improvements to fixtures, flooring, bathrooms, etc.

All amounts are just cost estimates from the PAR prepared by Thompson & Litton.

GHP Pool House PAR Option #2



Next Steps?

Staff's Recommendation

- Use the remaining ARPA funds of $169,733 to design a new pool house as proposed by T&L in recommendation #2.

- Create a **Parks & Rec facilities CIP** fund by appropriating FY2024 CIP fund interest income and any additional interest earned in FY2025.

- Consider construction of a new Gypsy Hill Park pool house in FY2025 or FY2026, once the design is complete and more precise cost estimations are available.

Gypsy Hill Park Bathrooms

- Current budget in CIP is $394,981.
- The current apparent low bid is $889,000.
- Staff is working with contractor is see if there is a chance to lower the project cost.
- Council direction?

Construction Bids Received April 2, 2024

- Actual bids came in under estimates!
- Intent to award issued April 3rd to Shockey and Sons
- Net bond proceeds in the amount of **$20.5 million** are required.
- Proposing a 20 year term at an estimated rate of 3.66%
- Contingency of $2.53 million is included in estimates.

Staunton J&DR District Court cont.

JDR COURTHOUSE/WEST END COMPLEX

	BASE		Bond Issuance	Local Funds	ARPA
		Bonds*	$ 20,500,000	$ 4,670,150	$ 3,476,100
	Construction Docs	Est. Interest	$ 500,000		
Courthouse Project:	**34,330 sq ft**				
New Courts Bldg Construction Cost	$ 18,790,000		(18,790,000)		
Furniture Allowance	1,029,900		(1,029,900)		
Arch/Engineering design services	2,004,082			(296,079)	(1,708,003)
Testing and Inspections	101,424		(101,424)		
Commissioning services	70,189		(70,189)		
Data/Telephone allowance	376,000		(376,000)		
Moving Expense allowance	20,000		(20,000)		
Project Budget Contingency 10%	2,530,000		(262,487)	(2,267,513)	
Project Manager	350,000		(350,000)		
Temp Fence/Signage/Other	16,130			(15,646)	(484)
Estimated Total Courthouse Cost as of 4/3/2024	**$ 25,287,725**				
Other Expenses:					
Purchase of the Parcel	1,767,613				(1,767,613)
Alt Bid (Demo of Big Lots building)	347,000			(347,000)	
Roof replacement on existing bldg (not courthouse)	750,000			(750,000)	
Renovation costs for existing bldg (any excess will be moved to the undesignated CIP fund)	1,023,912			(1,023,912)	
Total Other Expenses	**$ 3,888,525**		**$ (21,000,000)**	**$ (4,700,150)**	**$ (3,476,100)**

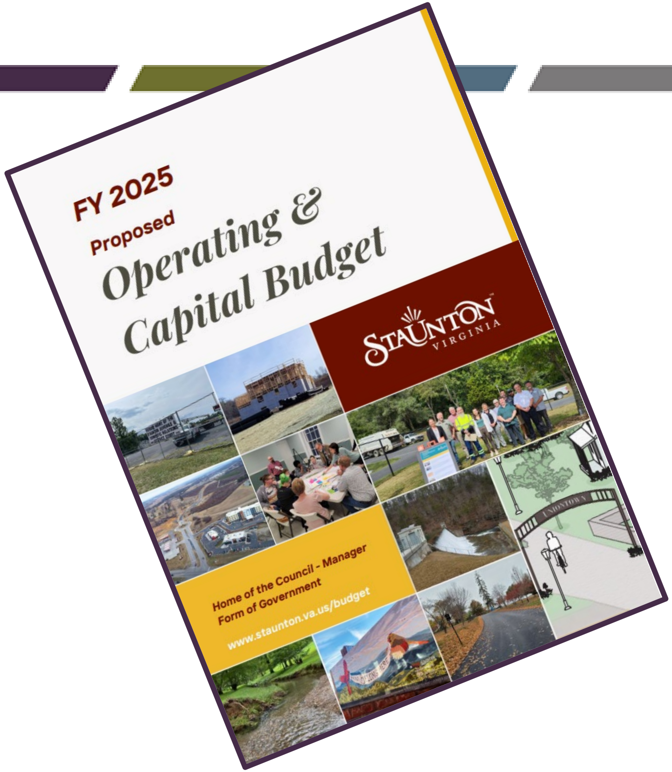
*bond proceeds are net of an estimated $470,000 in bond issuance costs.

City of Staunton, VA

20 Yr. 2024 VRA Spring Pool CM Estimate as of 4/2/2024

Affordability Analysis | $20.5mm Project Fund

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Debt Service Requirements					Revenue Available for DS			Debt Service Cash Flow Surplus (Deficit)						
FY	Existing City Debt Service	Existing School Debt Service	VRA 20 Year Projected Debt Service[1]	CIP Impact to Operations	Total	Budgeted Revenues Available	Other Available Revenue Sources	Total Revenues Available	Surplus/ (Deficit)	Revenue From Prior Tax Impact	Debt Service Sinking Fund Balance Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Debt Service Sinking Fund Balance[2]	Minimum Debt Service Sinking Fund Balance[3]
2024	1,976,734	3,383,117	-	-	5,359,851	5,591,903	-	5,591,903	232,052	-	-	232,052	-	4,676,440	974,007
2025	1,974,164	3,362,084	1,470,210	-	6,806,458	5,591,903	-	5,591,903	(1,214,555)	-	(1,214,555)	-	-	3,461,885	926,188
2026	1,843,032	3,145,799	1,471,781	-	6,460,613	5,591,903	-	5,591,903	(868,710)	-	(868,710)	-	-	2,593,176	870,213
2027	1,841,441	3,121,291	1,471,288	-	6,434,020	5,591,903	-	5,591,903	(842,117)	-	(842,117)	-	-	1,751,059	815,572
2028	1,841,511	3,097,982	1,469,256	-	6,408,749	5,591,903	-	5,591,903	(816,846)	-	(816,846)	-	-	934,213	759,065
2029	647,185	3,082,682	1,470,559	-	5,200,426	5,591,903	-	5,591,903	391,477	-	-	391,477	-	1,325,690	701,120
2030	632,222	2,351,880	1,470,069	-	4,454,171	5,591,903	-	5,591,903	1,137,732	-	-	1,137,732	-	2,463,422	653,110
2031	625,316	2,352,543	1,472,656	-	4,450,515	5,591,903	-	5,591,903	1,141,388	-	-	1,141,388	-	3,604,810	610,743
2032	627,128	2,355,049	1,468,322	-	4,450,499	5,591,903	-	5,591,903	1,141,404	-	-	1,141,404	-	4,746,215	574,004
2033	625,481	2,356,049	1,471,938	-	4,453,467	5,591,903	-	5,591,903	1,138,436	-	-	1,138,436	-	5,884,651	540,843
2034	621,656	2,353,148	1,468,375	-	4,443,179	5,591,903	-	5,591,903	1,148,724	-	-	1,148,724	-	7,033,375	506,372
2035	-	2,355,524	1,467,634	-	3,823,158	5,591,903	-	5,591,903	1,768,745	-	-	1,768,745	-	8,802,120	470,678
2036	-	2,354,101	1,469,459	-	3,823,561	5,591,903	-	5,591,903	1,768,342	-	-	1,768,342	-	10,570,462	441,736
2037	-	2,356,078	1,468,722	-	3,824,799	5,591,903	-	5,591,903	1,767,104	-	-	1,767,104	-	12,337,566	411,660
2038	-	2,353,879	1,470,294	-	3,824,173	5,591,903	-	5,591,903	1,767,730	-	-	1,767,730	-	14,105,296	380,315



Questions and Comments

How to Participate

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 11 (joint with City Schools), April 18th (cancelled), 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