



City Manager's FY 2026 Proposed Budget

**March 27, 2025
City Council Meeting**

Overall Proposed Budget

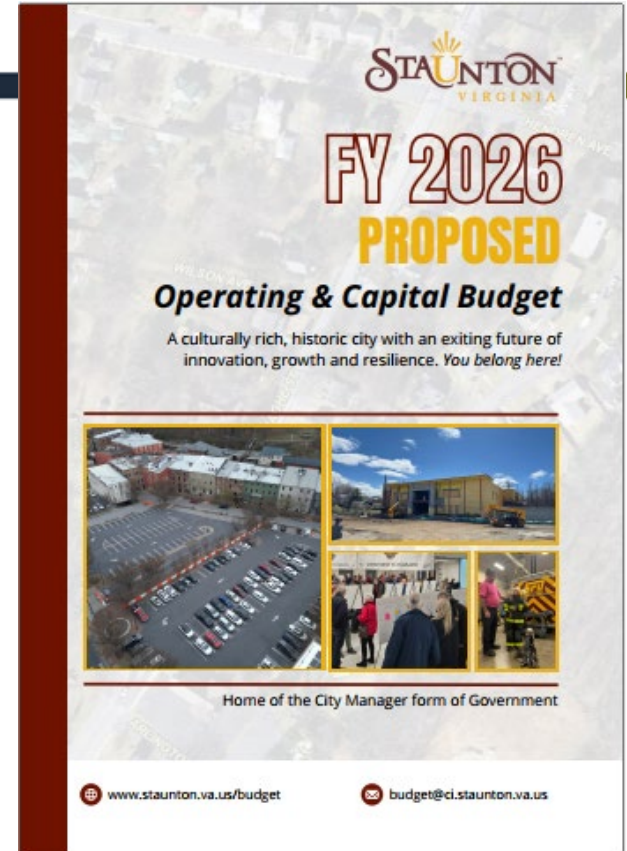
July 1, 2025—June 30, 2026

Total proposed budget is **\$164,037,707** for all funds

❖ \$15.4 million (or 10.4%) increase over FY 2025

General Fund proposed budget is **\$79,613,013**

❖ \$6.1 million (or 8.31%) increase over FY 2025



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- A horizontal decorative bar composed of several colored segments: dark purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and olive green.
- ❖ Fully supports City Schools - local contribution increase of 9.55%
 - ❖ Funds improved and expanded services such as the city only Juvenile & Domestic Relations District Court (open late 2025) and the new regional Animal Shelter (open early summer 2025)
 - ❖ Provides stability in city services and supports employees
 - ❖ Significant increases to regional agencies that provide mental health and human services, support for youth and families
 - ❖ Increases support for tax relief programs
 - ❖ Increases capacity for fiscal flexibility in the face of many unknowns



Real Estate Tax Rate Increase Proposal

Proposed Real Estate Tax Rate $\$.91/\100 assessed value to provide most flexibility to address critical and essential infrastructure investments

FY 2018 2-cent rate increase for Staunton High School renovation

“Recent events have demonstrated that those additional funds are more critical than ever and can build a path to address ongoing city infrastructure maintenance needs, starting with work that is required in the tunnels that run underneath downtown.”

“Longer term, this is an opportunity for the city to consider and plan for more aggressive and proactive flood mitigation efforts as it relates to the creeks and tunnels that are underneath a core economic and business district.”

Total Proposed Budget – All Funds

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What's behind the 10.4% increase in the total budget?

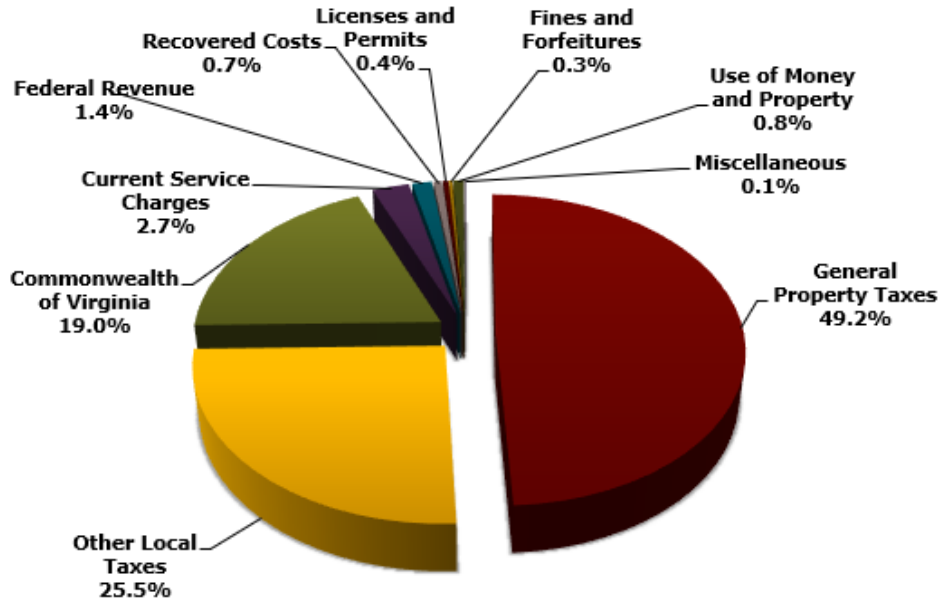
The total budget increase can be misleading, as it includes capital expenditures and transfers between funds

- ❖ 5% = related to capital improvements, primarily for water, sewer, and stormwater utility and infrastructure projects
- ❖ 2.2% = increase in the local contribution to City Schools
- ❖ 2.0% = increase in state and federal funding, most of which is restricted use
- ❖ 1.2% = all other operating increases



General Fund Revenues

\$79.6 M



CITY OF STAUNTON FY 2026 GENERAL FUND REVENUES

Category	FY2026	% of Total
General Property Taxes	\$39,177,657	49.2%
Other Local Taxes	20,278,522	25.5%
Commonwealth of Virginia	15,155,748	19.0%
Current Service Charges	2,149,436	2.7%
Federal Revenue	1,145,746	1.4%
Recovered Costs	524,500	0.7%
Licenses and Permits	288,200	0.4%
Fines and Forfeitures	200,500	0.3%
Use of Money and Property	615,000	0.8%
Miscellaneous	77,704	0.1%
Total Revenues	\$ 79,613,013	100.0%

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❖ General Property Taxes

- Real estate tax revenue increase by \$4,469,075
- Personal property tax revenue increase by \$278,000

❖ Other Local Taxes

- No material changes in Sales and Transient Occupancy (Lodging) tax revenue
- Meals tax revenue increase by \$90,000
- Business license tax revenue increase by \$100,000

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***Restricted for specific
expenditures***

❖ State Funding

- Virginia Department of Transportation reimbursable funds increase by \$1.1 million
- State revenue increase of \$513,800 for Children's Services Act

❖ Recovered Cost

- Loss of Harrisonburg/Rockingham Jail Buy-in (\$665,000)



General Fund Expenditures

\$79.6 M

CITY OF STAUNTON

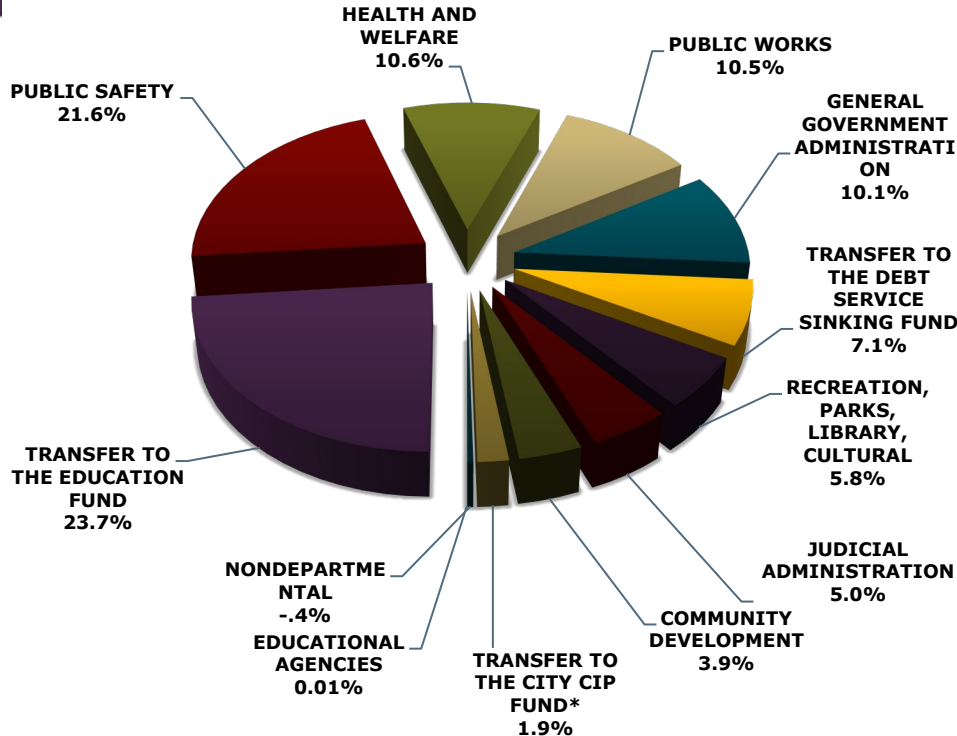
FY 2026 GENERAL FUND EXPENDITURES

FY2026 PROPOSED

TRANSFER TO THE EDUCATION FUND	\$ 18,904,462
PUBLIC SAFETY	17,228,077
HEALTH AND WELFARE	8,444,940
PUBLIC WORKS	8,384,279
GENERAL GOVERNMENT ADMINISTRATION	8,078,751
TRANSFER TO THE DEBT SERVICE SINKING FUND	5,676,903
RECREATION, PARKS, LIBRARY, CULTURAL	4,603,465
JUDICIAL ADMINISTRATION	3,952,766
COMMUNITY DEVELOPMENT	3,096,557
TRANSFER TO THE CITY CIP FUND*	1,518,813
NONDEPARTMENTAL	(285,000)
EDUCATIONAL AGENCIES	9,000

TOTAL GENERAL FUND EXPENDITURES \$ 79,613,013

*Remaining FY2026 CIP will be funded with carry over funds from FY2025.



Where Is the New Money in the General Fund Going Exactly?



\$ 1,647,852

Staunton City Schools

- Per the school funding formula
- 9.55% increase



\$ 657,030

Capital Improvements Funding

- For Critical Infrastructure Repairs and Improvements



\$ 372,770

Juvenile & Domestic Relations District Courthouse

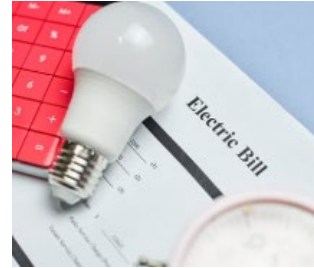
- New FY 2026 Expenditures
- \$275,985 Salaries and Benefits
- \$96,785 Operating Expenditures

Where Is the New Money in the General Fund Going Exactly?

\$ 1,117,397

Salaries and Benefits

- \$707,707- 3% cost of living increase for FT/PT employees
- \$147,572 – 1.5% bonus Const. Officers/staff, Structural Adjustments, Other
- \$201,676 - 10% increase in health insurance due to high claims
- \$60,442 – Unfreeze Traffic Position



\$ 305,830

Other Expenses

- \$76,000 Expand Real Estate Tax Relief
- \$16,500 Police K-9 Replacement
- \$39,760 New StauntonBusiness.com website
- \$173,570 Other City Dept. Increases

Where Is the New Money in the General Fund Going Exactly?



\$981,964

**Outside Agency
& SAW
Partnerships**

- **\$714,763** Department of Social Services & CSA (local portion only) -  15%
 - \$433,776 State & Federal Grant Funded
 - \$280,987 Locally Funded Portion -  15%
- \$119,400 Animal Shelter -  68.0%
- \$136,773 Valley Community Services Board -  50%
- \$43,846 Middle River Regional Jail -  1.3%
- \$29,051 Office on Youth -  15.6%
- \$8,988 Health Department -  2.8%
- \$8,871 SDDA -  4.27%
- \$35,000 Valley Children's Advocacy Center -  233%
- \$1,700 Talking Book Center -  74%
- \$(81) *Shenandoah Valley Partnerships  .3%
- \$(1,503) *Central Shenandoah Planning District Commission  1.1%
- \$(109,844) *Juvenile Detention Center -  32.6%
- \$(5,000) Staunton Community Capital Fund -  25%

*These agencies are fully funded. Reductions based on their FY26 application.

\$ 1,026,786 -  52%

VDOT Reimbursable Funds

- Funded with state VDOT funds
- For qualified expenditures only
- Increase due to the state raising the reimbursement per lane mile over the last two years



Expenditure Details—Personnel General Fund only

- ❖ Effective July 1, 2025– 3% cost of living increase for full and part time employees = \$708K
- ❖ Structural salary adjustments and other = \$106k
- ❖ 1.5% Bonus for Constitutional Officers/staff = \$42k partially funded by Compensation Board)
- ❖ Health Insurance –city and in employee paid premiums 10% increase = \$202k
- ❖ **New Positions**
 - J&DR District Courthouse = \$276k
 - Restore funding for Public Works Traffic position = \$60k



Expenditure Details—Education



SCS Ranking	Year
43rd	2024
▲ 45th	2023
▲ 55th	2022
▲ 68th	2021
▲ 100th	2019
▲ 105th	2018

- ❖ Proposed transfer from the city totaling **\$18.9 million** equals 23.7% of the city's General Fund budget
 - **Increase of \$1.65 million** over FY 2025 (9.55%)
- ❖ School Board FY 2026 Proposed Budget = \$51.4 million, \$3.0 increase million over FY 2025
- ❖ Outstanding General Fund Debt service for schools = \$42.3 million (**64%** of total General Fund debt)



Health and Welfare — Increase of \$974,896

Major drivers include:

- ❖ Children's Services Act \$700,000 increase (↑ 22.6%)
- ❖ Valley Community Services Board \$136,773 increase (↑ 50.3%)
 - CSB proposes, for third year, to use funds to “stand up” crisis receiving center/crisis stabilization center
- ❖ Valley Children's Advocacy Center \$35,000 increase (↑ 233%)
- ❖ Real Estate Tax Relief \$76,000 increase (↑ 26.8%)
 - Veterans Tax Relief \$65,000
 - Elderly & Disabled \$11,000



Expenditure Details—Functional Areas

Public Works – Increase of \$1,478,369

Major drivers include:

- ❖ Salaries and Benefits \$341,318 increase
 - 3% cost of living increase, effective July 1, 2025
 - 10% health insurance increase
 - New J&DR District Courthouse Custodians = \$90k
 - Unfreeze Traffic position = \$60k
- ❖ J&DR District Courthouse Utilities & Other Operating Expenses \$77k increase
- ❖ VDOT Reimbursable Funds \$1,026,786 increase
 - VDOT revenue restricted specifically for eligible expenditures, including paving, sidewalk repairs, street line painting, traffic signals, and right of way maintenance.



Public Works request for one full time custodian for J&DR District Court remains unfunded

Public Safety – Increase of \$699,726

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2025
- ❖ 10% increase in health insurance
- ❖ Police Department operating increases \$93k
 - \$16,500 for K-9 replacement
 - \$27,000 program expenditures previously funded by Virginia State Police
 - \$31,000 forensic, digital evidence software previously funded with asset forfeiture funds
- ❖ Middle River Regional Jail increase of \$43,846  **1.3%**
- ❖ Shenandoah Valley Juvenile Detention Center **decrease** \$109,844  **32.6%**

Public Safety (Con't)

Major drivers include:

- ❖ Office on Youth \$29,051 (↑ 15.6%)
 - Includes \$18,000 request to convert the part-time Coordinator and the part-time Program assistant to full-time positions in order to meet the needs of youth and families
- ❖ Shenandoah Valley Animal Services Center \$119,900 (↑ 68.0%)
 - New shelter in Verona to open May 2025
 - Operational costs doubled until current shelter is sold
 - Additional costs for larger facility



Judicial Administration— Increase of \$407,476

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2025
- ❖ 10% increase in health insurance premiums
- ❖ 1.5% bonus for Constitutional Officers/staff = \$33k
- ❖ J&DR District Courthouse \$206k increase
 - Full year budget for 3 full-time Sheriff Deputies budgeted in FY 2025 (effective January 1, 2025) = \$93,244
 - 1.5 additional FTE Sheriff Deputies effective July 1, 2025= \$103,289

City Sheriff request of two full-time positions and six new vehicles remain unfunded





Juvenile & Domestic Relations District Court

\$1,597,194 – FY 2026 Annual Debt Service

\$505,507 - Sheriff's Department Annual Budget

- \$457,113 - 6 Full-time Positions
 - \$29,109 - 1 Part-time Position
 - \$19,285 – Body Worn Cameras, Training & Travel, Wearing Apparel, and Dues
- Unfunded Requests – 2 full-time positions (\$148,360), 6 new vehicles (\$383,538)*

\$166,952 - Building Maintenance Department Annual Budget

- \$58,737 - 1 Full-time Position
 - \$20,715 - 1 Part-time Position
 - \$62,000 - Utilities
 - \$25,500 - Cleaning Supplies & Uniform Rentals
- Unfunded Request – 1 full-time custodian position (\$58,737)*

Total Annual Budget for J&DR District Court=\$2,269,653



General Government – Increase of \$137,448

Major drivers include:

- ❖ Salaries and Benefits = \$110k increase
 - 3% cost of living increase, effective July 1, 2025
 - 10% increase in health insurance premiums
- ❖ Increase in property insurance = \$29,500
- ❖ City Council Budget reduced by \$50,000
 - Added in FY 2025 to be used at City Council discretion
 - None allocated to date – will carryover into FY 2026



Community Development – Increase of \$45,692

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2025
- ❖ 10% increase in health insurance premiums
- ❖ Economic Development
 - New StauntonBusiness.com Website = \$39,760
 - Economic Development Agreements = \$12,000



Recreation, Parks, Library – Increase of \$77,940

Major drivers include:

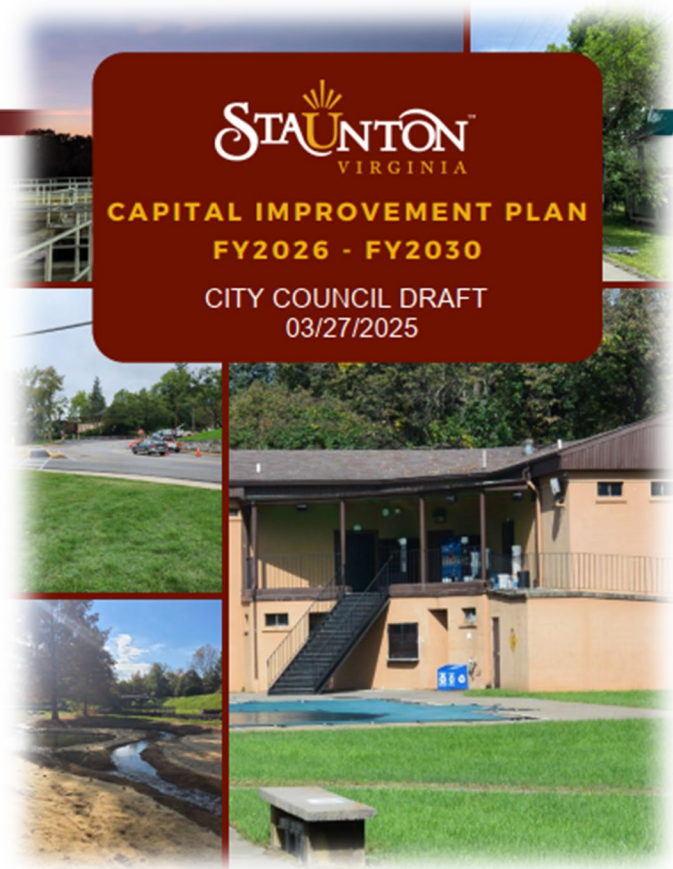
- ❖ Salaries and Benefits \$57,746
 - 3% cost of living increase, effective July 1, 2025
 - 10% increase in health insurance premiums
- ❖ Purchase of library books using State Aid=\$20,000



Transfer to CIP – Increase of \$657,030

- ❖ Revenue associated with **2 additional cents** on the real estate rate will be used for critical city infrastructure needs
- ❖ Immediate focus on creek tunnels that run under the city

Will revisit entire CIP at the April 3rd Work Session



Underground Stormwater/Creek Tunnels

- ❖ Engineering firm Wiley | Wilson performing tunnel survey and structural evaluation
- ❖ Evaluation indicates issues with structural integrity
- ❖ Wiley | Wilson continues to explore options for repairs
- ❖ Immediate needs balanced with longer term planning/improvements/flood mitigation

Costs are unknown at this time



Gypsy Hill Park Pool House

- ❖ Replaces current 1958 pool house that is in need of structural repairs
- ❖ Currently under design by Wiley|Wilson
- ❖ New features include:
 - Individual unisex bathrooms provide security and privacy for kids and families
 - Covered concession area
 - Outdoor shower
- ❖ Construction budget \$2.5 million, an increase of \$200k after value engineering over the last few months
- ❖ **67% of construction** is being funded with **interest earned** on our CIP and ARPA funds!



Edgewood Rd. Sidewalk Project

- ❖ Original estimate & Smart Scale amount = \$1,098,071
- ❖ Revised VDOT estimate = \$4.0 -\$4.7 million
- ❖ Two Smart Scale projects on Augusta St. have been cancelled, funding redirected to Edgewood Rd.
- ❖ The \$400,000-\$1,000,000 shortfall will be funded from the city's Sidewalk and Bike & Ped CIP reserves.



Budget includes \$6.59 million for the debt sinking fund

- ❖ \$5.68 million transfer from General Fund
- ❖ \$.9 million fund balance reserves

Debt Policy Ratios

- 1) Net Direct Debt as a % of Taxable Assessed Value 1.96% (limit 4%)
- 2) Debt Service as a % of Total Governmental Expenditures 8.72% (limit 15%)
- 3) 10 Year Payout Ratio of Tax Support Debt 49.27% (minimum required 50%)
-This ratio has been below the threshold since the issuance of the high school debt. Staunton will achieve a 10 Year Payout Ratio of 50.60% next year.

Proprietary Funds – Sewer & Water

- ❖ No proposed water and sewer usage fee increases
- ❖ Need to re-evaluate usage fees during the FY 2027 budget cycle
- ❖ Significant capital needs over the next five years



Proprietary Funds - Environmental

- ❖ No proposed refuse fee increase for basic usage
- ❖ Will need to evaluate fees during the FY 2027 budget in order to fund the **Augusta Regional Landfill Five-Year Capital Improvements Plan**
- ❖ **\$ 5 million** required to fund Staunton's share of the five-year plan
 - Relocate scale house and admin office, replace large equipment, open next phase, closure costs
- ❖ Controlling the amount of garbage placed in the landfill = Controlling future cost & positive for the environment



Refuse Modernization

New bins rolled out in March 2025 for residential customers

- ❖ Cleaner streets and stormwater systems
- ❖ Improved curb appeal
- ❖ Increased employee safety
- ❖ New technology to improve efficiency
- ❖ Diverts waste from regional landfill

Extra bin fee = \$12 per month

Bags tags for extra trash = \$1 per bag

Yard waste = One time bin deposit of \$50 to participate



**Funded with
American Rescue
Plan Act Funds**

Service Enhancements

- ❖ Centralized recycling center usage is growing, materials are diverted from landfill!
- ❖ Twice a year bulky trash/heavy item pick up
- ❖ Monthly yard waste pick up (diverted from landfill!)
- ❖ Technology and software used by staff to help with service efficiencies, customer inquiries and complaints, etc.

What's Next?

- Evaluate residential roll out, adjust where necessary, be flexible and patient
- Changes for commercial customers and downtown business district



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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

- ❖ \$430,000 in operating expenditures, across city departments, were reduced or realigned allowing a portion of new budget requests to be funded without having to identify additional funds
- ❖ FY 2026 CIP funding to be funded with projected FY 2025 carryover = \$3.6 million
- ❖ Many new department requests remain **unfunded**:
 - \$1.5 million in new/upgraded positions and enhanced benefits
 - More than \$2.4 million in operational and equipment expenditures
- ❖ \$146,250 in new outside agency requests remain unfunded
- ❖ Budgeted attrition (position vacancy) savings = \$300,000
- ❖ Budgets \$.9 million from Debt Service Sinking Fund balance to cover FY 2026 annual debt service

Economic Development/Staunton Crossing

- ❖ \$9 million Virginia Business Ready Site Program for Staunton Crossing (*water tank/ infrastructure*)

- ❖ Crossing Way Road Opened

Shared use path, park-and-ride lot, transit stop with shelter, solar powered lights at park-and-ride coming this summer/early fall (done in partnership with CSPDC)



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- A horizontal decorative bar consisting of ten rectangular segments in various colors: purple, olive green, blue-grey, grey, yellow, dark red, dark blue, tan, teal, and dark green.
- ❖ **Downtown corridor** – *Helios Mediterranean, The Junction, Pizza Luca, Collin's Market, Chop House Tavern, Lichen or Knot, Queen City Music Studios, Charlotte's Kitchen, Magnolia Rose, Ramulose Ridge Tasting Room, the Tubular Toybox, Foxtails, Cottonwood Commercial, and Davenport Financial*
 - ❖ **Around the City** – *Firestone Complete Auto Care Center, Dunkin' Donuts, and PCB Bank*
 - ❖ **Industrial Growth** – *Ryzing Technology expansion, Crown Heavy Equipment, Columbia Gas warehouse*
 - ❖ **New Housing** – *Arcadia building apartments on Beverley St.*

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❖ Infrastructure projects:

Gardner Springs Pump Station; Gypsy Hill Park Stream Restoration; Cole Avenue Stream Restoration; J&DR District Courthouse; Staunton Crossing Water Tank and Water & Sewer Infrastructure; Design of Gypsy Hill Park Pool house; Regional Radio Project; Building Security Updates; West Beverley St. Improvements

- ❖ Uniontown Neighborhood Action Plan survey work and BUILD Grant application
- ❖ West End Revitalization Strategy
- ❖ Update to Comprehensive Plan
- ❖ Sixth year as HUD entitlement community directed to help low to moderate income families and infrastructure projects in their neighborhoods, receiving over \$328,000 in CDBG/HUD funds

Accomplishments



*"Brochure of the Year: Virginia
Tourism Corporation"*

"Best Towns in Virginia for Antiquing"

"Best Places to Live in the South"



***Staunton Police
Department remains
the longest
continually accredited
law enforcement
agency in the world!***

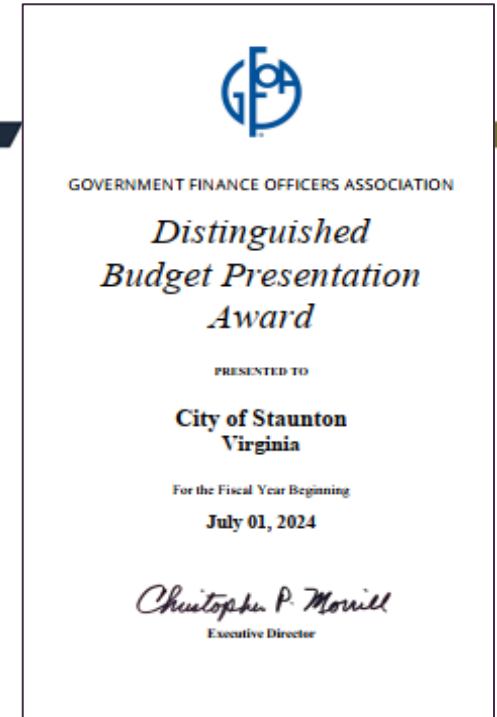


"Top-Rated Small Towns in Virginia"

***USA Today's 10 Best "Small Town
Cultural Scene"***

GFOA Distinguished Budget Presentation Award for
FY 2025 Adopted Budget

GFOA Certificate of Achievement for Excellence in Financial
Reporting for FY 2024 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 2026 Budget at www.ci.staunton.va.us/budget

Hardcopies of the budget can be viewed 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 3, 10 (joint with City Schools), and 24

Public Hearings

April 3 – Real Estate Tax Rate

April 10 – Overall Budget Ordinance

Scheduled Budget Adoption

April 24



www.ci.staunton.va.us/budget



CityCouncil@ci.staunton.va.us