City Manager's FY 2026 Proposed Budget Public Hearing

April 10, 2025
City Council Meeting

Overall Proposed Budget

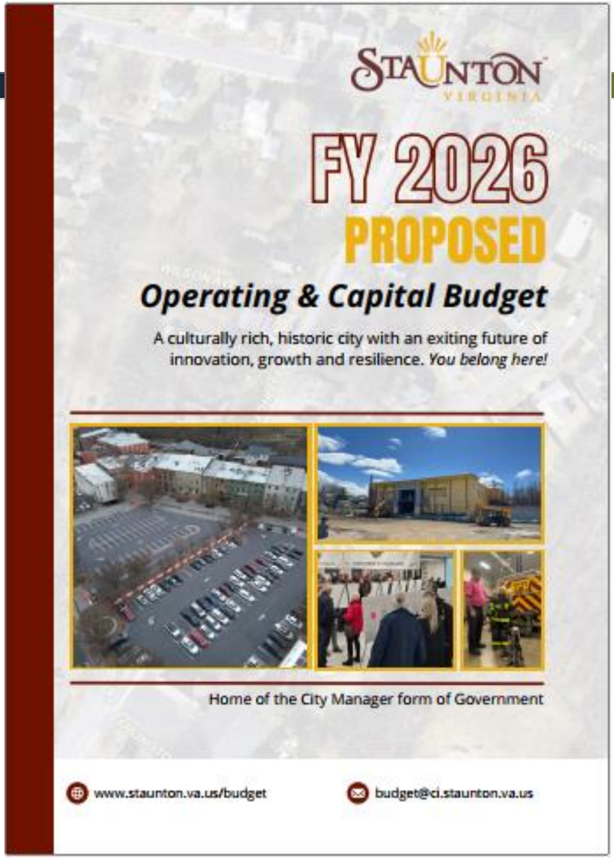
July 1, 2025—June 30, 2026

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



Significant Themes

- 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

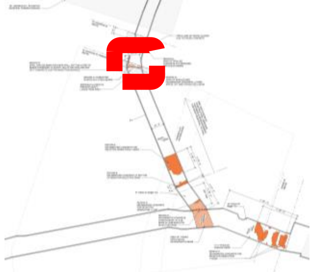
Proposed Real Estate Tax Rate **$.91/$100 assessed value to provide most flexibility to address critical and essential infrastructure investments**

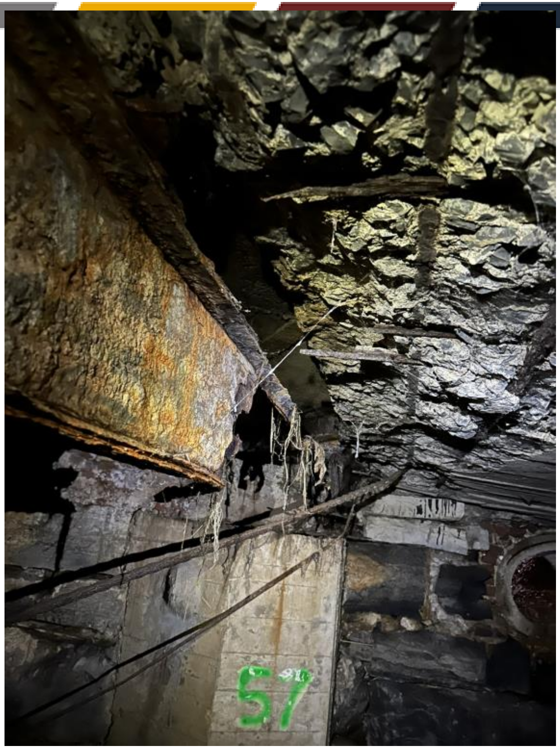
FY 2018 2-cent rate increase for Staunton High School renovation

"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."

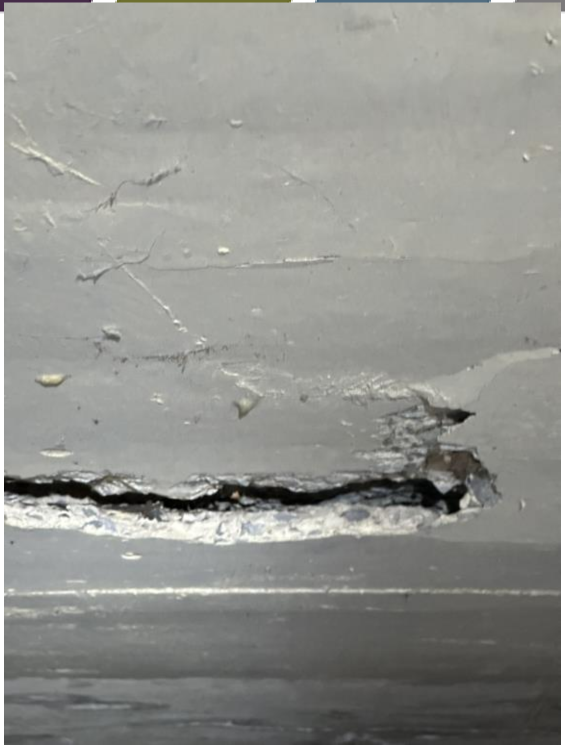
"Longer term, this is an opportunity for the city to consider and plan for more aggressive and proactive flood mitigation efforts as it relates to the creeks and tunnels that are underneath a core economic and business district."

STAUNTON
VIRGINIA

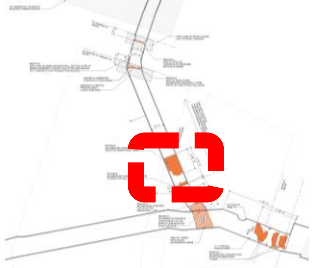




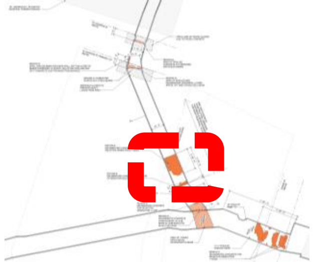
Severe concrete spall and rebar corrosion near Johnson Street – full width roof



Severe concrete delamination below Wharf parking lot and Byers Street



Severe concrete delamination below Wharf parking lot access road



Severe concrete delamination below Wharf parking lot access road

Total Proposed Budget – All Funds

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

- **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
- **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)

Restricted for specific expenditures

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

FY 2026 Capital Improvement Plan

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

Gypsy Hill Park Pool House

Gypsy Hill Park Pool House

- 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!

Why Replace and Not Just Fix?

- **Structural Integrity & Safety**
  - Steel joists have corrosion
  - Immediate recommended supports were put in place to allow the pool to operate safely in the near term
- **Exterior Deterioration**
  - Degradation of exterior walls
- **Lack of Accessibility**
  - Failing ramp retaining wall
  - Current fixtures don’t meet building code
- **Overall Functionality**
  - Showers and bathroom facilities on upper level

Gypsy Hill Park Pool House

Figure 4 Deterioration of metal deck

Figure 8 Staff stair landing

Figure 9 Severely corroded Steel Floor Deck

Figure 10 Delaminated Open-Web Steel Joist

Figure 6 Ramp to shower is not accessible (lip is too tall)

Gypsy Hill Park Pool House

Figure 15 Deteriorated Concrete Slab Edge

11 Rust

Figure 12 Rusted, Delaminated Horizontal Joint Reinfor

Figure 13 Delaminated, Rusted Steel Tread and Risers of Exterior Stairs to Pool Area

Figure 17 Displaced CMU blocks

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.

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

Accomplishments

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)

Accomplishments

- **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.*

Accomplishments

- 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

Community Connect

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

"Brochure of the Year: Virginia Tourism Corporation"

"Best Towns in Virginia for Antiquing"

"Best Places to Live in the South"

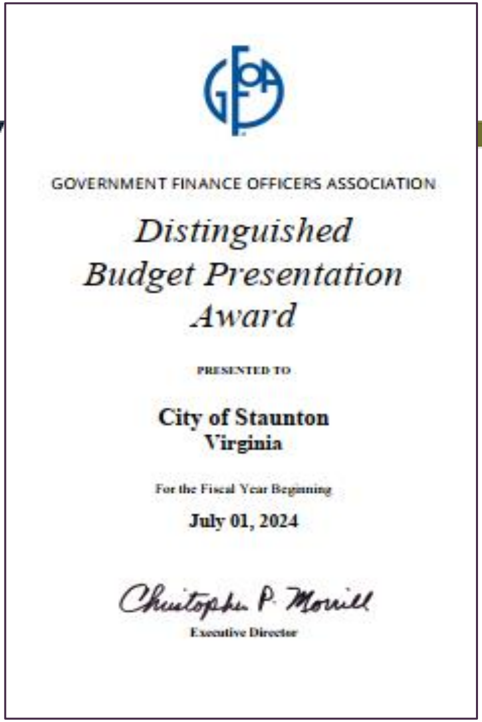
"Top-Rated Small Towns in Virginia"

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

Accomplishments

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


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Staunton Virginia

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

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.

How to Participate

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 10 and 24

Public Hearings

April 10 – Overall Budget Ordinance

Scheduled Budget Adoption

April 24

www.ci.staunton.va.us/budget

CityCouncil@ci.staunton.va.us