City Manager's FY 2027 Budget Public Hearing

April 9, 2026
City Council Meeting

Overall Proposed Budget

July 1, 2026—June 30, 2027

Total proposed budget is **$168,486,888** for all funds

- $3.95 million (or 2.4%) increase over FY 2026

General Fund proposed budget is **$83,320,150**

- $3.5 million (or 4.41%) increase over FY 2026

Significant Themes

- Fully supports City Schools - local contribution increase of 7.7%
- Provides stability in city services and supports employees
- Preserves flexibility for the unexpected
- Significant increases in regional agencies and programs that support health and families
- Increases support for tax relief programs
- Focuses on environmental sustainability
- Creates intentional focus on economic mobility and opportunity, business support and resilience
- Focuses on technology and communication
- Increases funding for and continues path to build and maintain critical infrastructure

Alignment with 2026-2028 Staunton Plan

An Economically Vibrant Community

Economic Mobility & Opportunity Initiative; Enterprise Zone Incentives;

Uniontown Water and Sewer; Downtown Staunton Re-Visioning; Economic Development Website; Resilient Housing Initiative Capital Funds

A Resilient and Sustainable Community

Portion of new revenue from Cig. Tax supports programs/education to reduce trash/encourage recycling; Environmental Sustainability capital reserve

A Healthy Community

Expands summer pool season at both parks; P&R Master Plan; Booker T. Washington Reimagined

An Informed and Engaged Community

Improves 911 communication with new CAD to CAD system; Voting equipment updates; Upgrade to Microsoft Cloud 365

Proposed Tax Rates

- Real Estate Tax Rate remains at $.91 per $100 assessed value
- Personal Property Tax Rate remains at $2.90 per $100 assessed value
- No change in Meals Tax or Lodging Tax Rates

Proposed increase of the Cigarette Tax Rate from $.30 per pack to $.40 per pack, generating additional projected revenue of $90,000

General Fund Revenues
Increase of $3,516,637

- **General Property Taxes $1,053,607**
  - Real estate tax revenue increase by $357,607
  - Personal property tax revenue increase by $696,000
- **Other Local Taxes $1,085,478**
  - Sales tax revenue increase by $300,478
  - Meals tax revenue increase by $250,000
  - Business license tax revenue increase by $200,000
  - Transient Occupancy (Lodging) Tax $150,000
  - **Cigarette Tax - $90,000***
  - All Other $95,000

***Proposed increase from $.30 to $.40 per pack**

- **Service Charges $331,766**
  - PILOT (Enterprise funds) - $196,516
  - Golf Cart/Green Fees - $75,000
  - Other Recreation - $52,850
    - GHP Pool – Res: $3; **Non Res: $4**
    - MHP Pool – Res: $2; **Non Res.: $3**
  - All Other - $7,400
- **State and Federal Funding $860,648**
  - VDOT Highway Maintenance - $436,178
  - Social Services/Children's Services Act - $316,135
  - Compensation Board - $43,956
  - Law Enforcement 599 - $43,758
  - All Other - $20,621
- **All Other $185,138 (incl. Economic Mobility grant)**

How is the additional General Fund revenue being allocated?

$ 1,461,942
Staunton City Schools

- Per the school funding formula
- 7.73% increase
- $20,366,404 Total funding

$ 241,973
PD Comp Plan Phase II

- Phase II of the compensation plan for the Police Department implemented in FY2026

$ 627,397
Salaries and Benefits

- $743,724- 3% cost of living increase for FT/PT employees
- $116,809 - increase in health insurance due to high claims
- $121,546 – Economic Mobility & Opportunity (largely grant funded)
- $12,292 – Additional PT wages for extended pool season
- $18,728 – All other salary/benefit changes
- $(52,326) – Clerk of Council savings
- $(333,376) – VRS Savings

Virginia Retirement System

Decrease of **$333,376 for the General Fund**

1. Retirement – Defined Benefit rate decreased from 16.77% to 14.54%
2. Group Life Insurance rate decreased from 1.18% to 1.06%
3. Rates are good for FY2027 and FY2028
4. The schools and the jail are experiencing the same type of decrease.

Hazardous Duty Multiplier

Options available to council:

1. Do not fund in FY2027 and make it a priority in the **FY2028 budget**.

2. Potential funding path in FY2027
   - $100,000 – Increase General Fund Interest Revenue
   - $50,000 – Fund Registrar Voting Software upgrade with fund balance.
   - $62,463 – Reduce other operating expenditures in the General Fund
   - $19,459 – Use Water Fund Balance to cover additional retirement benefit expense
   - $11,496 – Use Environment Fund Balance to cover additional retirement benefit expense
   - $2,471 – Use Sewer Fund Balance to cover additional retirement benefit expense
   - $1,663 – Reduce stormwater professional services

How is the additional General Fund revenue being allocated?

$ 888,314

Other Expenses

- $385,586 - VDOT Maintenance Related Expenditures
- $70,000 - Additional Real Estate Tax Relief
- $150,000 – Implementation of and migration to Microsoft Office 365
- $50,000 – Voting Registrar Tabulation Software (state mandate)
- $44,000 – Staunton Crossing mowing
- $30,000 – Enterprise Zone Incentives

How is the additional General Fund revenue being allocated?

$ 888,314

Other Expenses (Con't)

- $30,000 – Replace 30 Door Access readers
- $20,000 – Additional Training funds for Police Department
- $15,000 – New CAD to CAD maintenance fee
- $15,000 – To support pilot programs and education geared to reducing refuse and increasing recycling
- $78,728 – All Other Operating Increases

How is the additional General Fund revenue being allocated?

$297,427

Outside Agency & SAW Partnerships

- $560,994 Department of Social Services & CSA - ↑ 7.8%
    - $316,135 State & Federal Funded - ↑ 6.3%
    - $244,859 Locally Funded Portion - ↑ 11.2%
- $53,763 Juvenile Detention Center - ↑ 23.7%
- $31,238 Valley Community Services Board – ↑ 7.6%
- $15,384 Health Department – ↑ 4.6%
- $10,749 Office on Youth – ↑ 5%
- $10,000 Shenandoah Valley Small Business Development (new)

How is the additional General Fund revenue being allocated?

$297,427

Outside Agency & SAW Partnerships

- $10,000 Staunton Augusta County African American Research Society (new)
- $8,479 SDDA (Downtown tax) – ⬆ 3.9%
- $415 Central Shenandoah Planning District Commission - ⬆.3%
- $(5,000) Staunton Community Capital Fund - ⬇ 33%
- $(6,911) Animal Shelter* – ⬇ 2.4%
- $(391,684) Middle River Regional Jail* – ⬇11.3%

*These agencies are fully funded. Reductions based on their FY2027 application.

Middle River Regional Jail

Decrease of **<u>$391,684</u>**

1. Share of expenditures decreased from 24.29% to 23.00%
2. $750,000 - Return of excess unrestricted net position
   - Amount is for all localities; the city will receive its share based on usage
   - Will continue the next seven years at $750,000 per year

Expenditure Details—Education

- School Education Fund FY2027 Proposed Budget
  - 7.4% increase in total - $3,387,089
    - 7.7% Increase in Local Funding - $1,461,942
    - 7.2% Increase in State Funding - $1,792,589
    - 6.2% Increase in Federal & Other - $132,558
  - 3% COLA plus 1% additional raise for Step 20 and above
  - Six (6) new positions
  - 17% increase in operating expenditures
  - No change in CIP transfer. Remains at $200,000.

- Outstanding General Fund Debt service for schools = $40.7 million (65% of total General Fund debt)
- Local contribution increase is allocated to operating expenditures

Expenditure Details—Functional Areas

Health and Welfare – Increase of $677,736

Major drivers include:

- Children's Services Act $400,000 increase (↑ **10.5%**)
- Department of Social Services $161,000 increase (↑ **6.2%**)
- Valley Community Services Board $31,238 increase (↑ **7.6%**)
- Health Department $15,384 increase (↑ **4.6%**)
- Real Estate Tax Relief $70,000 increase (↑ **19.4%**)
  - Veterans Tax Relief $15,000
  - Elderly & Disabled $55,000
  - Total Relief Budget for FY2027 is **$430,000**

Expenditure Details—Functional Areas

Public Works – Increase of $600,941

Major drivers include:

- Salaries and Benefits $127,285 increase
  - 3% cost of living increase, effective July 1, 2026
- VDOT Reimbursable $440,586
  - VDOT revenue restricted specifically for eligible expenditures, including paving, sidewalk repairs, street line painting, traffic signals, and right of way maintenance.
- All Other Operating Increases $33,070 (2.4% increase)

Unfunded Requests:

- **Design Engineering Position $120,695**
- **Additional FT Custodian for Library $62,651**
- **Additional PT Custodian for JDR Courthouse $25,836**
- **Additional PT Bldg. Maint. Staff $25,836**
- **PT to FT PW Admin $42,714**
- **Operating Expense Requests $68,300**

Expenditure Details—Functional Areas

Public Safety – Increase of $45,093

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2026
- ❖ Police Department Comp Plan Phase II - $241,973
- ❖ Middle River Regional Jail decrease of $391,684 ↓ **11.3%**
- ❖ Shenandoah Valley Juvenile Detention Center increase $53,763 ↑ **23.7%**

Unfunded Requests:

- **Increase Hazardous Duty Multiplier to 1.85% $232,177**
- **Three Additional Staff for Fire Department $227,783**
- **Three Replacement Vehicles for PD Department $233,553**
- **Fire Department Compensation Improvements $59,739**
- **Operating Expense Requests $17,520**

Expenditure Details—Functional Areas

Judicial Administration– Increase of $48,554

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2026
- ❖ Decrease in Operating Expenditures of $60,592 due to separation of JDR District courts.

Unfunded Requests:

- **Four Additional Sheriff's Deputies $303,618**
- **Four Additional Vehicles for Sheriff's Department $255,572**
- **Sheriff's Department Compensation Improvements $52,729**
- **Operating Expense Requests $6,900**

Expenditure Details—Functional Areas

General Government – Increase of $464,567

Major drivers include:

- Salaries and Benefits = $161k increase
  - 3% cost of living increase, effective July 1, 2026
  - Economic Mobility grant position
- Economic Mobility & Opportunity Grant other expenses - $29,055
- Microsoft Cloud Migration - $150,000
- Registrar Voting Software - $50,000
- Insurance - $23,000

Unfunded Requests:

- **PT to FT Position Request for Registrar $40,085**
- **Contractual Agreements $145,000**
- **Replacement Vehicle for Assessor $30,000**
- **Operating Expense Requests $45,311**

Expenditure Details—Functional Areas

Community Development – Increase of $140,324

Major drivers include:

- 3% cost of living increase, effective July 1, 2026
- Enterprise Zone Incentives – increase of $30,000
- Mowing at Staunton Crossing - $44,000 (previously funded in the CIP Fund)

Unfunded Requests:

- **Small Area Planning $50,000**
- **Maintenance of Facilities (Staunton Crossing) $44,000 (total request $88,000)**
- **Operating Expense Requests $60,266**

Expenditure Details—Functional Areas

Recreation, Parks, Library – Increase of $77,480

Major drivers include:

- Salaries and Benefits $70,905
  - 3% cost of living increase, effective July 1, 2026
  - Additional $12,292 to extend pool season

Unfunded Requests:

- **Library Furniture and Computer Equipment $32,170**
- **Parks & Rec Equipment $415,700**
- **Operating Expense Requests $49,015**

Budget Balancing

Budgets are all about choices and making difficult decisions and are based on Council priorities, sound financial and management principles and experience

- $395,000 in operating expenditures, across city General Fund departments, were reduced or realigned allowing a portion of new budget requests to be funded without having to identify additional funds
- FY 2027 CIP funding to be funded with projected FY 2026 carryover = $3.5 million
- Many new department requests remain **unfunded**:
  - $1.2 million in new/upgraded positions and enhanced benefits
  - More than $1.5 million in operational and equipment expenditures
- $94,669 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 2027 annual debt service

Exploring strategic education to reduce landfill costs

- Every ton diverted from the landfill is a direct saving in tipping fees and landfill capital projects
- Funding: $15,000 (FY 2027 Cigarette Tax) dedicated to pilot programs and outreach
  - Black Bear Compost
  - Cigarette Butt collection
- Dual Goal
  - LEAN: Targeted weight loss for our landfill (every dollar saved goes to other projects)
  - GREEN: Resilient community and reduced greenhouse gas emissions
- Discovery phase: Evaluating staff capacity, meeting with partners and learning best practices from other localities

High Visibility, Low-Cost Projects

- Show residents exactly where their recycling is going
- Clearer Recycling Guidelines
  - Digital: Revamp webpage and build a recycling wizard – searchable database to help eliminate confusion
  - Physical: Mailers with information "Lean and Green." Consider signage changes at recycling center
- Targeted Education with School partners

Other Opportunities

- Compactor for Recycling
  - Meant to reduce trips and cost to haul recyclables
  - Compactor from Staunton Crossing is not a feasible option
  - PW is exploring the possibility of a new compactor (*not funded at this time*)
  - Considering using an old trash truck to compact and haul plastic recyclables (do this with cardboard now)

FY 2027 Capital Improvement Plan

Transfer to CIP – maintains the annual funding at $1,518,813

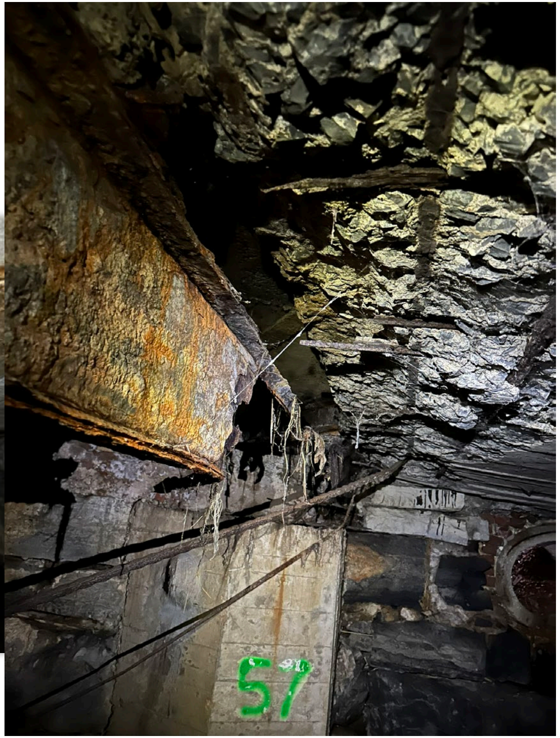
- $287,261 – Uniontown Neighborhood Improvements Reserve
- $287,261 – West End Revitalization Reserve
- $287,261 – Library Improvements Reserve
- $657,030 – Infrastructure Repairs & Improvements

Changes to FY2027-FY2031 CIP Since Introduction

- Strategic areas from Staunton Plan updated on project sheets.
- Project CD-2603 Uniontown Blight Removal added
- Funding source changed for PR-2704 Recreation Master Plan and PR-2705 Duck Pond Dredging to carry over
- Add the two Lewis St sewer projects to FY2031, funding will be determined as we approach FY2031.
- Pick-up truck replacement in the Environmental fund is now unfunded.

City Infrastructure Repairs & Improvements

- Alignment with City Council's 2026-2028 Staunton Plan
  - **A Resilient and Sustainable Community:** Enhancing Staunton's livability and environmental stewardship by addressing aging infrastructure…
- Established during the FY2026 budget process.
- Funded by increasing real estate tax rate by 2 cents in 2025.
- Addresses critical infrastructure improvements within the city.
- First focus is on the Wharf tunnel repairs.



Environmental Sustainability and Resiliency

- Alignment with City Council's 2026-2028 Staunton Plan
  - **A Resilient and Sustainable Community:** Develop the city's initial Sustainability Plan to create policy aimed at reducing city energy use and emissions, implementation of green infrastructure, improving flood resiliency, and protecting/rehabilitating natural resources.
- Proposed Funding
  - FY2027 $100,000
  - FY2028 $150,000
  - FY2029 $200,000
  - FY2030 $250,000
  - FY2031 $250,000

Biking and Walking Infrastructure & Amenities

- Alignment with City Council's 2026-2028 Staunton Plan
  - **A Healthy Community:** Consolidate, prioritize, and pursue continued implementation of the Pedestrian and Bicycle Plan and Green Way Plan to create an accessible and connected multi-modal transportation and recreation network throughout the city.
- Not new, but combines three existing funds: New Sidewalks, Bike & Pedestrian, and Greenways.
- Allows for greater flexibility when funding projects.
- Updated Five Year plan combines the three previous reserves:
  - FY2027 $625,000
  - FY2028 $725,000
  - FY2029 $725,000
  - FY2030 $725,000
  - FY2031 $725,000

Reimagine Booker T. Washington School

- Alignment with City Council's 2026-2028 Staunton Plan
  - **An Economically Vibrant Community:** Identify 1-2 opportunities to advance the West End Revitalization Plan. Reimagine Booker T. Washington as a community center and hub for events and services.
- Would fund consultant to facilitate a community visioning process.
- Could be used to secure future grants.
- Scheduled to begin is FY2026
- Funded by West End Reserves

Recreation Master Plan

- Alignment with City Council's 2026-2028 Staunton Plan
  - **A Healthy Community:** Develop a Parks and Recreation Master Plan
- Would develop a long-term comprehensive strategy for guiding the planning, development, and management of Staunton's parks, facilities, and programs.
- Last needs assessment was 2007.
- Estimated Cost is $90,000
- Funded by CIP Reserves

Re-Visioning of Downtown Staunton

- Alignment with City Council's 2026-2028 Staunton Plan
  - **An Economically Vibrant Community:** Develop a holistic plan for downtown Staunton.
- Encourage future growth, improve wayfinding, identify opportunities to redevelop the wharf, reinvestments in the train station, expansions/improvements to Shop and Dine Out, improved integration of MBU, and expansion of SDDS services.
- Estimated Cost is $100,000
- Funded by General Fund Carryover

Development of Remainder of JDR District Court Site – West Beverley St.

- Alignment with City Council's 2026-2028 Staunton Plan
  - **An Economically Vibrant Community:** Identify 1-2 opportunities to advance the West End Revitalization Plan. A Master Plan for additional city and community services/facilities at the JD&R Courthouse property.
- Estimated Cost is $250,000

Other General Fund Projects

FY2027

- Lake Tams Spring House Renovation - $60,000
- Renovation of the Spring Boxes in GHP - $180,000
- Garden Center Updates - $100,000
- Duck Pond Dredging - $150,000
- West End Bus Shelters - $20,000 (next 4 years)
- West Johnson Street Retaining Wall - $349,000
- Salt Equipment Storage Building - $350,000

FY2029

- Moxie/Memorial Stadium Parking Lot Repaving - $350,000
- Augusta St Sidewalk Improvements - $5,811,832

FY2030

- Moxie Stadium Renovations - $1.8 M

Uniontown Neighborhood Action Plan

- Alignment with City Council's 2026-2028 Staunton Plan
  - **A Resilient and Sustainable Community:** Complete the design for Uniontown water and sewer in 2026, with a goal of starting construction in 2027.
- The following projects are recommendations in the Uniontown Neighborhood Action Plan:
  - **AR-11**- Uniontown Neighborhood Improvements Reserve - $287,261 per year.
  - **CD-2501** – Uniontown Surveys - $100,000
  - **CD-3001** – Uniontown Roadway & Pedestrian Infrastructure Improvements - $6,367,600 (need to identify a grant opportunity)
  - **WF-2602** – Uniontown Water Extension - $4,125,000
  - **SF-2602** – Uniontown Sewer Extension - $6,600,000

Water Projects

- Annual Waterline Replacements - $450,000

Fiscal Year 2027

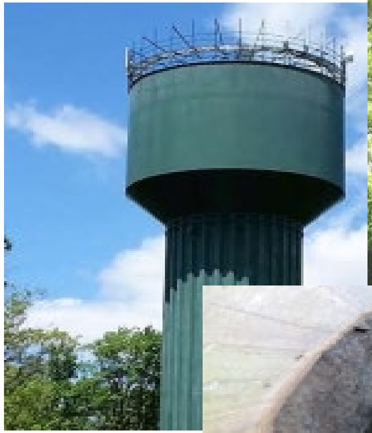
- Richmond Ave Waterline Replacement Phase I - $2,500,000
- Franklin Hills #1 Water Tank Inspection and Repainting - $290,000

Fiscal Year 2028

- Water Treatment Plant Filter Rehab - $1,200,000
- Franklin Hills #2 Water Tank Inspection and Repainting - $126,000
- North River Pipeline Tunnel Study - $200,000
- Uniontown Water Extension - $3,750,000

Fiscal Year 2029

- Shutterlee Mill Water Tank Inspection and Repainting - $1,031,000
- Richmond Ave Waterline Replacement Phase II - $10,600,000 (construction in FY2030)
- Water Treatment Plant Roof - $190,000



Sewer Projects

- Annual Sewer line Replacements - $250,000

Fiscal Year 2027

- New Hope Rd Sewer I&I Mitigation and Pump Station - $500,000
- Design Old Staunton Steam Laundry Sanitary Sewer Line Relocation - $50,000
- Lewis Creek Sanitary Sewer Downtown PER - $150,000

Fiscal Year 2028

- Uniontown Sewer Extension $3,750,000
- Design of Commerce Road Sewer Line – Phase II - $200,000

Fiscal Year 2029

- Locust Avenue Sewer - $900,000
- Commerce Rd Phase III - $950,000

Fiscal Year 2030

- Sherwood Ave Sewer Relocation - $250,000
- Design of Lewis Creek Sewer Phase III & IV - $300,000

Fiscal Year 2031

- Lewis Creek Sanitary Sewer Phase III & IV Construction - $2,700,000 (unfunded)
- Design Institute Sewer Line - $250,000

Stormwater Projects

- FY2026 Flood Resiliency Plan
- FY2026 Wharf Daylighting Study - $159,000
- FY2026 Lake Tams Continuous Monitoring/Control System – $421,756
- FY2029 Green Hills Industrial Park – Basin Retrofits - $1,390,000

How to Participate

FY 2027 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 540.332.3812

Public Hearings

April 9 – Overall Budget Ordinance

Budget Work Sessions

April 23

Scheduled Budget Adoption

April 23

www.ci.staunton.va.us/budget

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