School Board/City Council Joint Budget Work Session

April 9, 2026

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

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

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

$297,427

Outside Agency & SAW Partnerships

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

School Funding Formula

- Current funding formula signed in August 2022, first used for FY2024 local contribution
- Based on audited data for the two fiscal years prior
- Key Components
  - Property Taxes (not including downtown tax) 53.118% over two years
    - 26.559% Fiscal Year 1
    - 26.559% Fiscal Year 2
  - Other Local Taxes (not including Meals, Sales, & Occupancy Tax due to EDA/Tourism agreements) 12.01% over two years
    - 6.005% Fiscal Year 1
    - 6.005% Fiscal Year 2
- Contributions increases since inception
  - FY2024 Increase of $904,934 or 6.01% (first year of the formula)
  - FY2025 Increase of $1,286,439 or 8.06%
  - FY2026 Increase of $1,647,852 or 9.55%
  - FY2027 Increase of $1,460,745 or 7.73%

FY2024 Contribution
- FY2021 Audited Figures
- FY2022 Audited Figures

FY2025 Contribution
- FY2022 Audited Figures
- FY2023 Audited Figures

FY2026 Contribution
- FY2023 Audited Figures
- FY2024 Audited Figures

FY2027 Contribution
- FY2024 Audited Figures
- FY2025 Audited Figures

Staunton City Schools Funding Formula for FY2027

	2022	2023	2024	2025
Property Taxes	29,012,709	33,278,054	35,194,157	38,773,831
Downtown Tax	(132,460)	(140,410)	(141,759)	(162,511)
Net Property Taxes	28,880,249	33,137,645	35,052,398	38,611,321
Other Local Tax Revenue	18,939,371	20,149,504	20,541,718	21,093,352
Meals Tax	(5,809,981)	(6,253,785)	(6,659,420)	(6,860,918)
Sales Tax	(5,484,719)	(5,962,604)	(6,023,555)	(6,128,465)
Transient Occupancy Tax	(1,208,260)	(1,292,457)	(1,279,279)	(1,326,951)
Net Other Local Tax Revenue	6,436,411	6,640,657	6,579,463	6,777,018
School Calculation				
% of Property Taxes	26.559%	26.559%	26.559%	26.559%
% of Other Local Tax Revenue	6.005%	6.005%	6.005%	6.005%
Appropriation for Education Fund				
Property Tax Revenue	7,670,305	8,801,027	9,309,566	10,254,781
Other Local Tax Revenue	386,506	398,771	395,097	406,960
	8,056,812	9,199,799	9,704,663	10,661,741
	FY2024	**FY2025**	**FY2026**	**FY2027**
SCS Funding Formula Calculation	$ 15,970,171	$ 17,256,610	$ 18,904,462	$ 20,366,404
	$ 904,934	**$ 1,286,439**	**$ 1,647,852**	**$ 1,461,942**
	6.01%	**8.06%**	**9.55%**	**7.73%**

City General Fund Debt

City of Staunton
Summary of Debt
Annual Debt Requirements

	CITY GF PRINCIPAL	INTEREST	TOTAL	SCHOOL DEBT PRINCIPAL	INTEREST	TOTAL
2027	2,439,860	996,750	**3,436,610**	1,625,140	1,496,151	**3,121,291**
2028	2,569,167	868,309	**3,437,476**	1,685,833	1,412,148	**3,097,981**
2029	1,484,423	762,090	**2,246,513**	1,755,577	1,327,105	**3,082,682**
2030	1,495,000	732,478	**2,227,478**	1,145,000	1,206,880	**2,351,880**
2031	1,570,000	653,938	**2,223,938**	1,205,000	1,147,543	**2,352,543**
2032	1,650,000	571,425	**2,221,425**	1,270,000	1,085,049	**2,355,049**
2033	1,735,000	487,634	**2,222,634**	1,330,000	1,026,049	**2,356,049**
2034	1,815,000	403,590	**2,218,590**	1,375,000	978,148	**2,353,148**
2035	1,270,000	328,512	**1,598,512**	1,420,000	935,524	**2,355,524**
2036	1,335,000	261,759	**1,596,759**	1,470,000	884,101	**2,354,101**
2037	1,405,000	191,547	**1,596,547**	1,525,000	831,077	**2,356,077**
2038	1,480,000	117,619	**1,597,619**	1,570,000	783,879	**2,353,879**
2039	1,555,000	39,847	**1,594,847**	1,620,000	734,219	**2,354,219**
2040	-	-	-	1,670,000	681,990	**2,351,990**
2041	-	-	-	1,725,000	628,094	**2,353,094**
2042	-	-	-	1,785,000	571,257	**2,356,257**
2043	-	-	-	1,840,000	512,595	**2,352,595**
2044	-	-	-	1,900,000	453,222	**2,353,222**
2045	-	-	-	1,965,000	390,637	**2,355,637**
2046	-	-	-	2,030,000	324,720	**2,354,720**
2047	-	-	-	2,100,000	256,575	**2,356,575**
2048	-	-	-	2,170,000	186,120	**2,356,120**
2049	-	-	-	2,240,000	113,355	**2,353,355**
2050	-	-	-	2,315,000	38,198	**2,353,198**
TOTAL	**$ 21,803,450**	**$ 6,415,498**	**$ 28,218,948**	**$ 40,736,550**	**$ 18,004,636**	**$ 58,741,186**

City & School CIP Funding

- There are many similarities between city and school capital improvements planning:
  - Funding relies heavily on carry over funds being available
  - Aging infrastructure
  - Large unfunded lists
  - Reactive instead of proactive

Unfunded School Capital Requests
Five-Year Total **$159,950,000**

STAUNTON VIRGINIA

FY 2026 - $2,750,000

- ❖ Shenandoah Valley Center for Advanced Learning Phase II $2,750,000

FY 2027 - $13,200,000

- ❖ Shenandoah Valley Center for Advanced Learning Phase III $7,200,000
- ❖ Shelburne Renovation Design - $6,000,000

FY 2029 - $54,000,000

- ❖ Shelburne Renovation Construction $54,000,000
- ❖ Chromebook Replacements $955,088

FY 2030 - $60,000,000

- ❖ Dixon School Renovation $60,000,000

FY 2031 - $30,000,000

- ❖ New Operations Center $30,000,000

Unfunded City Capital Requests
Five-Year Total **$143,650,280**

- Staunton Police Station design and construction - $23,431,427
- Fire Station #1 design and construction - $18,141,382
- Fire Station #2 addition design and construction - $6,198,291
- Uniontown Roadway & Pedestrian Infrastructure Improvements - $6,367,600
- Frontier Drive Improvements - $10,375,000
- Streetscapes including Middlebrook, Frederick, New St, Coalter St, Central Ave, North Augusta, Lewis St, and Johnson St - $23,986,580
- North River Tunnel & Pipeline - $41,500,000
- New Raw Water Source - $7,950,000
- Lewis Creek Sanitary Sewer Line Replacements - $2,700,000
- Parking Lot/Garage Improvements - $3,000,000