# City Manager's Proposed Budget FY 2020-2021

March 26, 2020

*Presented by City Manager's Office*

# Introduction

- New budget reality since budget was developed
- Recommend that Council proceed with budget as proposed, with caveats:
  - Review state budget changes
  - Examine local revenues in next few weeks and adjust forecasts
  - Review all city and school expenditures and adjust as necessary
  - Discuss strategies and tools to navigate the crisis and still achieve a balanced, fiscally sound and responsive budget

# Overall Proposed Budget

July 1, 2020—June 30, 2021

Total proposed budget is **$122,153,526** for all funds

- $2.24 million (or 1.86%) increase over FY2020

General Fund proposed budget is **$60,947,666**

- $1.67 million (or 2.8%) increase over FY2020

# Council Vision & Priorities

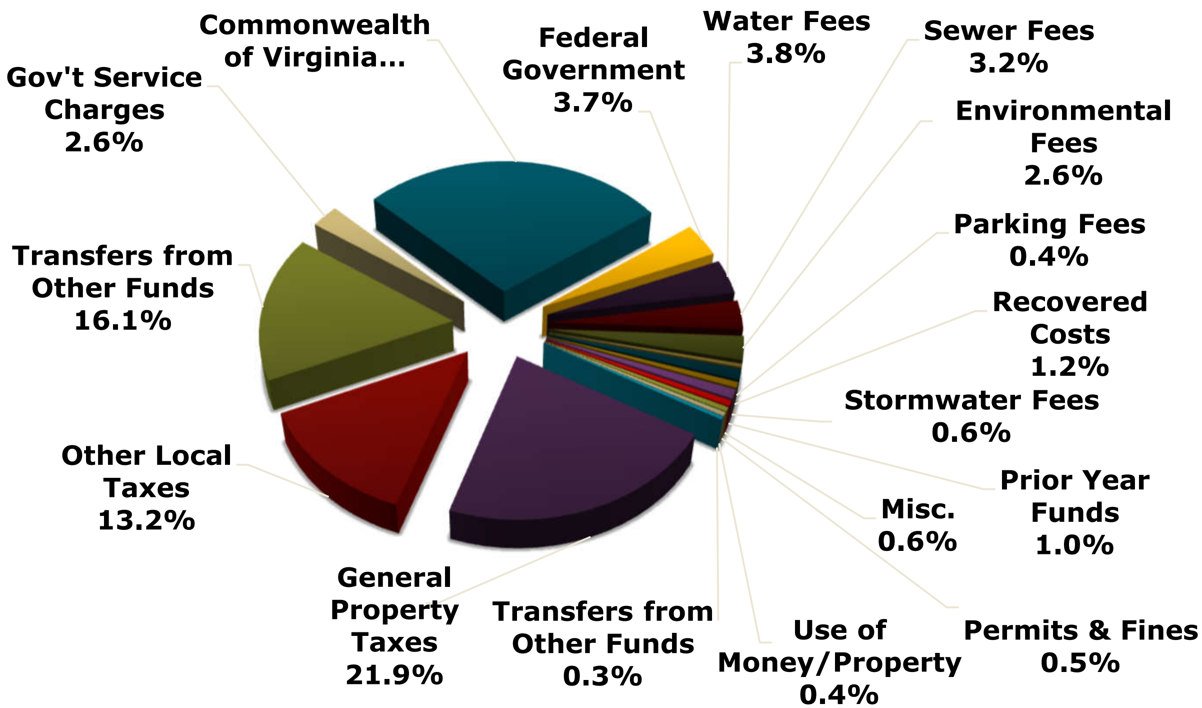
City Council adopted a set of 3-year priorities from its *Vision for 2030* that encompasses the following seven distinct subject areas:

- Economic Development
- Education
- Culture
- Inclusiveness
- Resilience
- Responsive, Efficient Government
- Built Environment


The proposed budget works toward the fulfillment of some of Council's priorities.

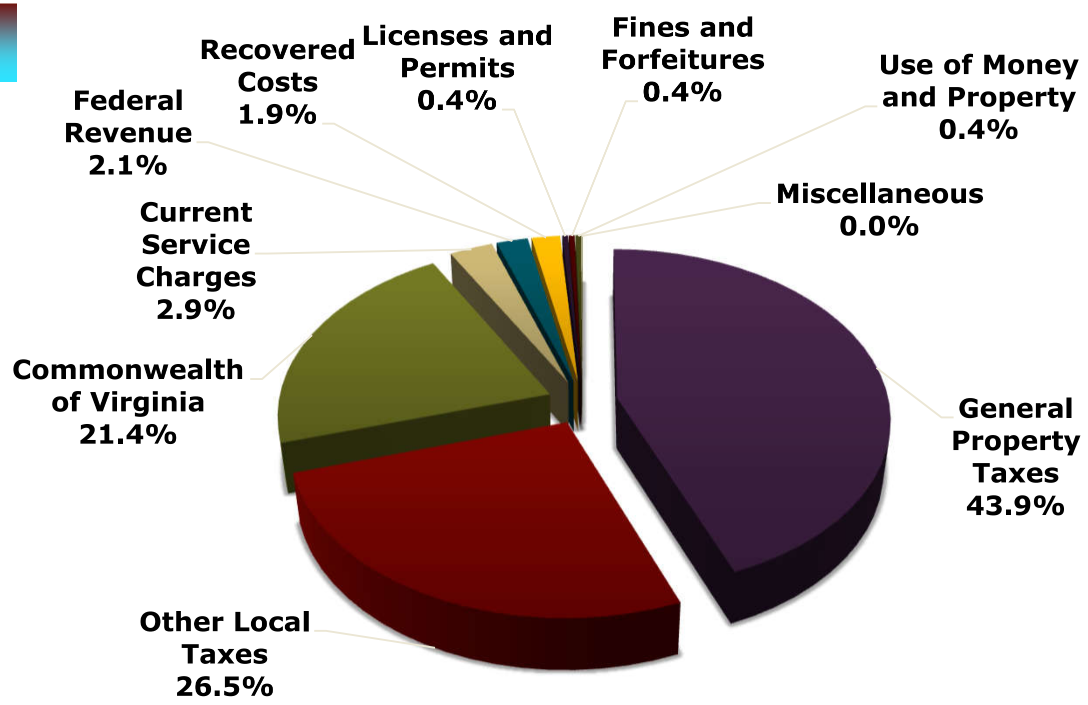
# Total Revenues—All Funds

$122.1 M



# General Fund Revenues

$60.9 M



# General Fund Revenues

- Other Local Taxes
  - Personal property taxes increase by $150,000
  - Sales taxes increase by $225,000
  - Transient occupancy and meals taxes increase by $305,000
- State and Federal Funding
  - Increase of over $200,000 in areas of health and welfare; street and highway maintenance decreases by $75,000
  - Federal funding increasing due to grants and health and welfare program funding

***Note: revenue projections will be revisited during the budget process***

STAUNTON VIRGINIA

# Tax and Fee Proposed Changes

## Real Estate Tax Rate

- Proposed increase from $.95 to $.97/$100 assessed value
  - To address significant increases in city contributions to VRS and Middle River Regional Jail
- $.01 increase = $205,161

## Water User Fee

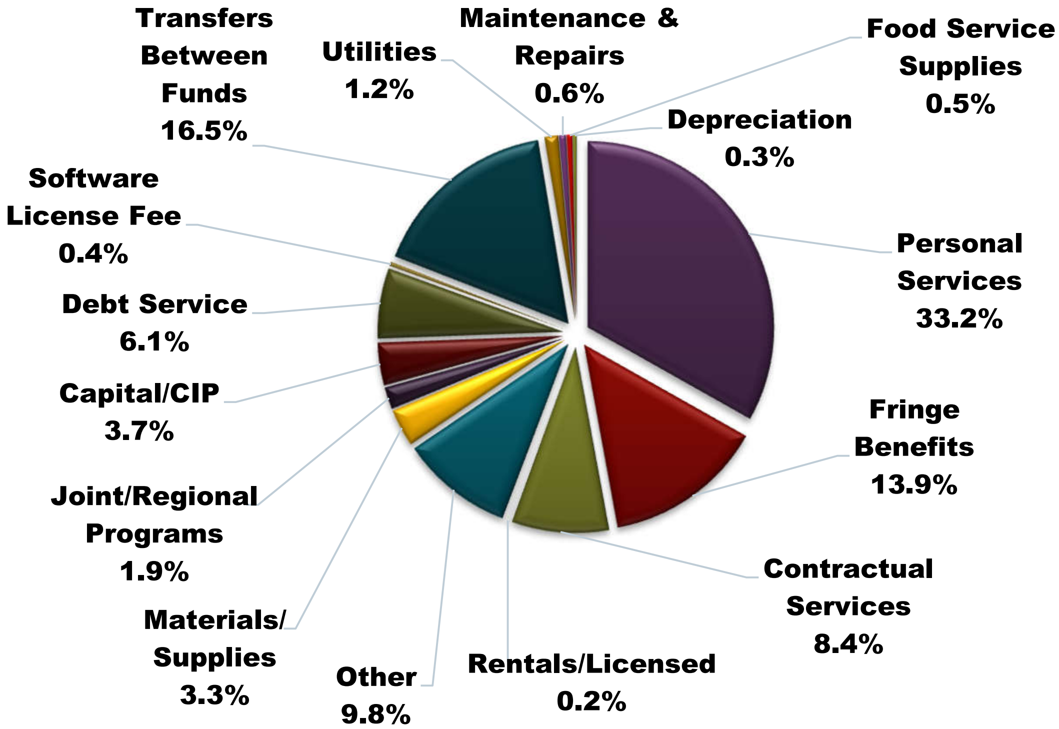
- Proposed increase of 5% to address additional costs for operations and capital improvements
- Consistent with FY2020 discussions

## Refuse/Recycling Rate

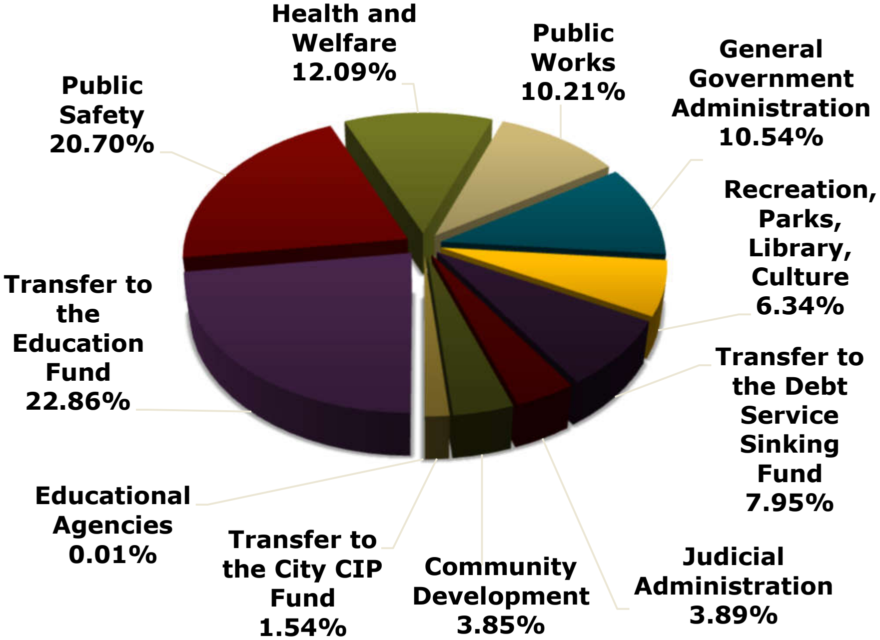
- Proposed increase of 10% to address operations of waste removal, recycling, and landfill and landfill capital costs
- Consistent with FY2020 discussions

# Total Expenditures—All Funds

$122.1 M



# General Fund Expenditures




| | |
|---|---|
| Transfer to the Education Fund | $ 13,934,160 |
| Public Safety | 12,615,783 |
| Health and Welfare | 7,371,023 |
| Public Works | 6,222,664 |
| General Government Administration | 6,426,021 |
| Recreation, Parks, Library, Culture | 3,865,683 |
| Transfer to the Debt Service Sinking Fund | 4,844,415 |
| Judicial Administration | 2,370,602 |
| Community Development | 2,347,265 |
| Transfer to the City CIP Fund | 941,050 |
| Educational Agencies | 9,000 |

$60.9 M

*Note: expenditures will be revisited during the budget process*

# Expenditure Details—Personnel

- Effective January 1, 2021—2% cost of living increase for all full and part time city employees
- City Virginia Retirement System contribution—increases by $233,000 based on state mandated rate adjustment
- Health Insurance—employees see no premium changes
- Two new positions proposed:
  - Sheriff’s Office—full time deputy to address increased caseload resulting from assignment of two additional judges
    - Partly reimbursed by Compensation Board
  - Circuit Court Clerk—part-time to full time position to address same caseload
    - Reimbursed by state court reporting services

# Expenditure Details—Education


Proposed transfer from the city totaling **$13.9M**, 22.9% of the city’s General Fund budget

School Board adopted budget = **$39.5M**, an increase of $1.2M over FY2020

# Expenditure Details—Functional Areas

**<u>Public Safety</u>—Increase of $528,475**


Major drivers include:

- Vest replacement for Police Department
- Life Scan medical screening for Fire & Rescue Department
- City share of Middle River Regional Jail ($449,465 increase over FY20)

**<u>Health and Welfare</u>—Increase of $282,475**

Major drivers include:

- Increases to city's share for Shenandoah Valley Social Services & Children's Services Act

# Expenditure Details—Functional Areas

**<u>Community Development</u>—Increase of $408,803**

Major drivers include:

- Frontier Center and The Villages full year cost of economic development incentive programs
- Implementation of Staunton Crossing Marketing Plan
- Increase of $80,926 for the Tourism Office based on transient occupancy tax allocation for enhancing promotion, sales and marketing *


** Supports City Council Three-Year Priority of <u>Economic Development</u>*

# Expenditure Details—Functional Areas

**General Government—Increase of $44,230** (Council, City Manager, City Attorney, Communications, Finance, audit, Assessor, IT, Registrar, insurance and two constitutional offices)

Payment of Taxes and Bills with Credit Cards *

- Billpayers will be able to pay taxes and fees with a credit card in person
- $70,000 budget savings represents a discontinuance of the city's prior practice of absorbing fees associated with credit card transactions
- 2.3% fee will be charged to the payer in addition to the amount paid to the city (in accordance with best practices)
- City will absorb fee for payments for utility payments and Parks and Recreation transactions (required by credit card issuers)

** Supports City Council Three-Year Priority of Responsive, Efficient Government*

# Expenditure Details—Functional Areas

**<u>Public Works</u>—Decrease of $65,990**

Major drivers include:

- Reductions in repair of traffic signals and supplies, and street lighting to align with historic expenditures
- Additional funding for the following:
    - Bridge inspections
    - New truck mounted attenuator (increase safety of city staff in work zones)

# Expenditure Details—Functional Areas

**<u>Recreation, Parks, Library</u>—Decrease of $31,579**

Elimination of Library Fines for Overdue Materials *

- Will result in increased access, create a more equitable lending procedure for library users and relieve feelings of shame and emotional barriers to library usage
- Enhances reputation as a center for free access to information and a community hub to pursue lifelong learning and leisure activities
- Will immediately impact over 2,300 city patrons, including 244 juvenile patrons, whose borrowing privileges have been suspended due to non-payment of fines

** Supports City Council Three-Year Priority of <u>Inclusiveness</u>*

# Capital Improvement Plan

**Funded from FY2020 Budget Amendment—$1,625,000:**

$400,000 Police Department radio equipment replacement
$500,000 Expansion of the Middle River Regional Jail
$350,000 Replace roof on Cochran Judicial Center
$125,000 Staunton Bicycle and Pedestrian Plan *
$150,000 Adaptive traffic control system for downtown corridor
$100,000 Greenways project *

** Supports City Council Three-Year Priority of Culture*


# Capital Improvement Plan

**<u>Funded from FY2021 Budget—$941,050</u>:**

$250,000 Fire truck replacement reserve
$150,000 Ineligible street paving/repairs
$100,000 Funding source for major repairs to city buildings
$100,000 Acquisition of major equipment
$100,000 New sidewalk projects/matching funds for VDOT grants
$100,000 Replacement project from concrete sidewalks to brick
$100,000 Matching funds for VDOT Street Construction Projects *
$ 41,050 Annual Share of Blue Ridge Community College Capital Building Fund

** Supports City Council Three-Year Priority of <u>Built Environment</u>*

# Budget Balancing

- Budget balancing considers Council's priorities, sound financial and management principles, and experience
- New department requests that remain unfunded = $1.9M
  - $534,000 in new personnel and salary requests
  - $1.3M in operational expenses requests
- Transfers from other funds to General Fund
  - $307K from Capital Improvement Fund
  - $150K from Health Care Fund

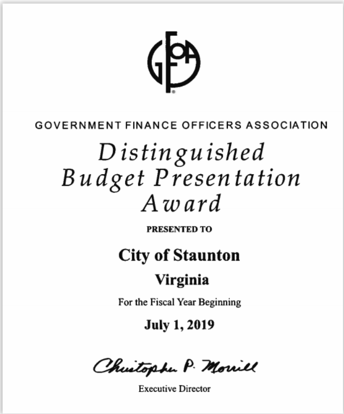
# Accomplishments

- Richmond Avenue Corridor
- Villages at Staunton
- New Hotels

    TRU by Hilton/Fairfield by Marriott/Blackburn Inn
- Restoration of Beverley Hotel into 28 apartments
- Stuart Hall School Eastham Building
- Many new restaurants
- Staunton Crossing


# Accomplishments

- 2nd Staunton Citizen University
- 2019 Citizen Survey
- GFOA Distinguished Budget Presentation Award


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Staunton
Virginia

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

# In Closing…….

Excerpt from Budget Message……..

*"The mural captures the spirit of Staunton and reminds us of our charge as public servants to serve all, who do indeed belong—and are welcome and contribute—here in Staunton, Virginia.  With commitment and resolve, we do so in good times and in bad. "*

Steven L. Rosenberg
City Manager

# How to Participate

**FY2021 Budget** at www.ci.staunton.va.us/budget

**Contact City Council** at CityCouncil@ci.staunton.va.us or by phone at 332.3810

**Public Meetings/Work Sessions**

April 2, 9, 16 and 23 (budget adoption)

**Public Hearings**

April 9 – Proposed Budget, Real Estate Tax Rate, Water Fees, Refuse/Recycling Fees

www.ci.staunton.va.us

CityCouncil@ci.staunton.va.us

*While all budget meetings are presently scheduled to be conducted in person, with limited public seating, the schedule and means of meeting are subject to change based on the city's response to the public health emergency. Changes will be publicized in the city's newsroom and on its social media channels. Follow meetings via live audio at www.ci.staunton.va.us/government/city-council.*