City of Staunton, VA

FY2021 Budget Work Session

April 30, 2020 5:30 p.m.

1. **FY2021 Total Budget**
   a) $77,088,521 City Budget, $4,520,669 decrease, 5.5%

2. **General Fund Budget**
   a) $56,374,701, $2,900,299 decrease, 4.9%

3. **General Fund Revenues**
   a) General Property Taxes – ($1,029,750) decrease
      i. Real Estate – ($966,250)
         a. ($937,500) decrease due to 5% delinquency factor assigned to FY21's original base budget of $18,750,000. Overall, FY21's original Real Estate budget of $19,150,000 (base budget plus delinquencies) is flat to FY20. FY21's base budget increased $400,000 due to new construction; this was offset by a projected reduction in collection of revenues to reflect previous trends and receivables
         b. $ 2,500 public service corporation's real property value increase
         c. ($ 25,000) interest and penalty decrease due to historical trends
         d. ($ 6,250) decrease in Downtown Service District tax collections due to 5% delinquency factor assigned to FY21's original budget of $125,000
      ii. Personal Property – ($63,500) decrease
         a. ($58,000) decrease due to a 4% delinquency factor assigned to FY21's original base budget of $5,200,000. Overall, FY21's original Personal Property Tax budget (base budget plus delinquencies) equals $5,425,000, which was an increase of $150,000 over FY20 due to valuation increases
         b. ($ 5,500) decrease in machinery and tools taxable value downward trends

b) Other Local Taxes – ($2,542,500) decrease
   i. Meals Tax – ($1,037,500) decrease due to a projected 25% reduction in sales of prepared food; original projection of $1,045,000 was $150,000 over FY20 due to previous trends
   ii. Sales Tax – ($906,250) decrease due to a projected 25% reduction in sales; original projection of $4,525,000 was $225,000 over FY20 due to previous trends
   iii. Bank Stock Tax - $23,000 increase
   iv. Recordation Tax – $20,000 increase
   v. Utility Taxes – $5,000 increase, based on usage
   vi. Lodging Tax – ($54,000) decrease due to a projected 20% reduction in sales to original budget of $1,045,000; original budget was $155,000 over FY20 due to previous trends
   vii. BPOL Tax – ($550,000) decrease due to a projected 25% reduction in sales; original budget of $2,200,000 was flat to FY20
   viii. Local Communications Tax – ($38,750) decrease; state control
   ix. Cigarette Tax – ($5,000) decrease
   x. Short Term Rental - $1,000 increase due to usage

c) Licenses & Permits – ($45,500) decrease
   i. Building/mechanical permits – ($48,000) decrease
   ii. Police fees – $2,500 increase
   iii. Dog Licenses – ($500) decrease
   iv. Fire Permits – $500 increase

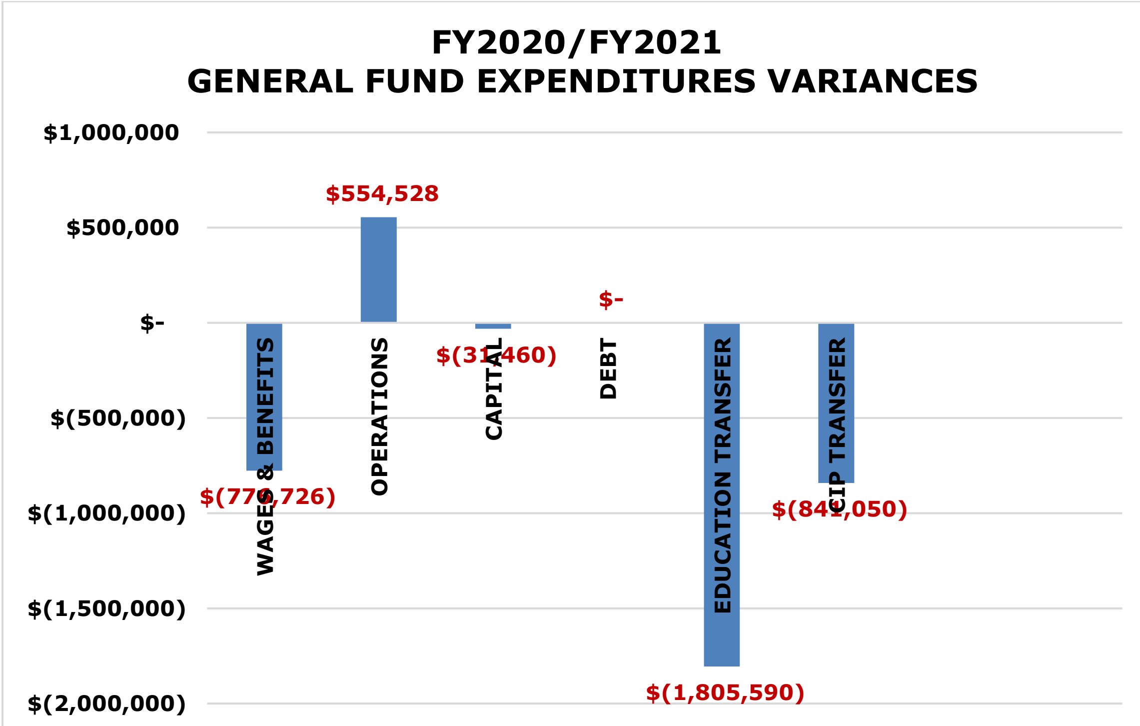
d) Fines & Forfeitures – $66,500 increase
   i. Circuit Court Fines – $58,000 increase based upon FY20 history
   ii. Court Recording Fees – $6,000 increase based upon FY2020 history

e) State and Federal Revenues – $195,995 increase
   i. Health and Welfare – $161,381 increase, based on service levels/programs
   ii. Children’s Services Act (CSA) – $17,094 increase in caseload
   iii. Street Maintenance – ($75,344) decrease
   iv. Constitutional Officers – $186,205 compensation increases

v. HB599 Law Enforcement – $35,844 increase to reflect current funding
vi. Federal – Fire SAFER Grant – ($121,217) decrease; FY21 is final year of support, which, as anticipated, has declined over last three years

f) Miscellaneous - $457,478 increase
   i. Transfer $150,000 from Health Insurance fund to cover Other Post Employee Benefits (OPEB)
   ii. Transfer $307,478 from CIP fund to primarily cover the capital portion of the Middle River Regional Jail quarterly expenses

4. Expenditures - What's in the Budget? - $2,900,298 Decrease



a) Wages & Benefits – ($776,726) decrease

i. Employees and Constitutional Officers Pay Increase:

a. $0 – 0% salary increase

b. Incorporate 10 furlough day equivalents to all departments

1) Not applicable to employees who earn equivalent of $15 per hour or less

2) Police patrol officers/E911 dispatchers exempt due to current openings

3) Blue Ridge Court Services exempt due to independent funding sources

ii. New Positions:

a. $55,015 – Clerk of Courts – Deputy Clerk

iii. Fringe Benefits:

a. ($290,622) decrease in health insurance City paid premiums

b. $41,125 – Line of Duty Act increase

c. ($43,449) – decrease in FICA and life insurance benefits due to fluctuations in wages

d. $ 176,041 increased City share of VRS by 12.43%; increase as originally proposed is reduced due to open positions

b) Operational Expenditures – General Fund

i. General Govt Administration $6,100,461, ($281,330) decrease

a. City Manager – $541,417 – ($37,261) decrease due to furlough days/health insurance/deferred comp./non-compensation adjustments

b. Human Resources – $603,972 – (36,073) decrease due to furlough days/health insurance/non-compensation adjustments

c. Communications Office – $80,636 – ($27,551) savings from open position budgeted for one half year

d. Financial Administration – $1,209,048 – ($54,688) decrease due to furlough days/health insurance/non-compensation adjustments

e. City Treasurer – $358,382 – ($84,118) decrease due to furlough days/health insurance/non-compensation adjustments

f. Risk Management – $745,000 – ($50,000) decrease in insurance expense provisions

ii. Judicial Administration $2,239,756, $189,724 net increase

a. Commonwealth's Attorney – $807,209, $193,155 increase for mandated positions required by the state

iii. Law Enforcement $5,785,167, ($370,438) decrease

a. ($330,084) decrease from five open positions/furlough days/ health insurance

b. ($40,354) elimination of replacement vehicle/other non-compensation line items

iv. Middle River Regional Jail $2,416,625, $449,465 increase

a. $242,465 funded from General Fund

b. $207,000 funded from CIP reserve

c. $670,965 payment from Harrisonburg/Rockingham buy-in supports General Fund Jail payment, expires FY2025

v. Fire/EMS $3,013,779, ($139,458) decrease

a. ($121,258) decrease due to furlough days/part time labor and overtime/health insurance

b. ($19,000) decrease in training & travel, wearing apparel, auxiliary fire expenses

vi. Public Works $5,971,764, ($316,890) decrease

a. Streets – ($170,824) decrease due to two open positions plus furlough days
b. Traffic Engineering – ($55,869) decrease due to one open position plus furlough days
c. Traffic Signal Maintenance – ($99,000) decrease for FY20 onetime expense for traffic pole painting and signal controllers
d. Traffic Signal Maintenance – $20,000 increase for special equipment for crash cushing
e. Building Maintenance – $3,102 year on year increase:
   1. ($10,000) reduction of window washing
   2. $8,000 increase for elevator maintenance – City Hall and Cochran Judicial Center
   3. $11,000 increase for on call pay
   4. ($4,000) decrease in utilities
   5. ($5,750) decrease in misc. supplies and building materials
f. Equipment Maintenance – ($23,107) decrease due to furlough days plus the elimination of one-time special equipment expense (lift in garage.)

vii. Health and Welfare $7,362,381, $274,355 increase

a. Children's Services Act – $3,150,000 – $50,000 increase based on caseload
b. ADC Foster Care – $955,000 – $205,000 increase
c. Special Needs Adoption subsidy – $125,000 - ($45,000) decrease
d. VIEW Purchase Services – $105,000 – ($30,000) decrease
e. Adoption Subsidy Program – $1,190,000 - $40,000 increase
f. Administrative Expenses – $ 796,595 – $62,790 increase

viii. Parks, Recreation, Cultural, Library $3,670,219, ($227,043) decrease

a. Recreation Administration ($64,339) decrease – ($13,839) decrease due to furlough days/health insurance; ($50,500) decrease in multiple non compensation line items
b. Golf $24,267 – increase $30,000 for operational consultant offset by furlough days and reduction in cart rentals
c. Park Maintenance – ($114,296) decrease

1. ($32,400) decrease due to furlough days/health insurance
2. ($42,000) decrease – repairs to fencing, ballfields, piping/water fountains, pond fountains, stadium seating/bleachers, park restrooms, parking lots, drainage/storm damage
3. ($7,000) decrease – contractual agreements/vehicle repair
4. ($10,000) decrease – building materials & maintenance
5. ($22,900) decrease – miscellaneous non-compensation lines

d. Library – $1,115,032, ($68,697) total decrease – ($38,899) decrease due to furlough days/health insurance; ($29,798) decrease in multiple non compensation line items

ix. Community Development – $2,088,774, $150,312 increase

a. Planning ($50,096) decrease due to furlough days and professional services-zoning ordinance revisions

b. Economic Development – $231,102 increase in development agreement costs offset by savings associated with furlough days and other non-compensation line items

c. Tourism – ($32,363) decrease associated with furlough days, reduction in tourism funding and multiple other non-compensation line items

c) Transfers to Other Funds – ($2,646,640) decrease

i. Transfer to Education = $12,044,000, a ($1,805,590) decrease

ii. Transfer to Debt Service = $4,894,415, no change from FY21 original proposed

iii. Transfer to City CIP = $0, a ($841,050) decrease

5. **<u>Capital Projects – $0</u>**

a) $0 Fire Truck Reserve

b) $0 VDOT Street/Sidewalk Construction Match Funds

c) $0 Ineligible Streets/Parking Lots paving/repairs

d) $0 Brick Sidewalk replacements – replace concrete with brick

e) $0 Public Works Building Maintenance Reserve

f) $0 Public Works Equipment Maintenance Reserve

g) $0 Blue Ridge Community College CIP

6. **<u>General Fund Debt Service – $4,894,415</u>**
   a) Total Debt Service payments FY2021 - $5,710,527
      i. $4,894,415 transferred from General Fund
      ii. $866,112 from prior year debt service fund balance to balance costs

7. **<u>Proprietary Funds</u>**

   a) Water Fund – $5,046,810, $67,810 increase, 1.3% increase
      i. 5% water rate increase, $156,725 additional customer revenue
         a. $15.12 annual increase for average family usage
      ii. Current rate not adequate to fund depreciation costs – $1,030,000
      iii. $50,000 Dump Truck replacement
      iv. $400,000 Water line replacement projects
      v. $250,000 Preliminary engineering for Gardner Spring Pump Station
      vi. $80,000 Fluoride Tank
      vii. $25,000 Union Town Study
      viii. $170,781 Debt Service Reserve for future CIP projects

   b) Sewer Fund – $4,562,393, ($249,997) decrease, 5.2% decrease
      i. No sewer rate increase
      ii. Current rate not adequate to fund depreciation costs – $1,245,000
      iii. $305,000 multiple sewer lines repairs, a decrease of $370,000
      iv. $25,000 Union Town Study
      v. $111,537 for the Middle River Waste Water Treatment Plant

   c) Stormwater Fund – $1,292,316, ($293,934), 18.5% decrease
      i. No stormwater rate increase
      ii. Capital Projects – decrease due to design fees incurred in previous year with balance of the project to occur in FY2021 ($909,900 Gypsy Hill Park stream restoration project)
      iii. Annual fee revenue = $785,000

iv. Current rate not adequate to fund future capital projects required
v. Fund Balance to pay for capital project $497,316

d) Parking Fund – $540,120, ($440,355) decrease, 44.9% decrease
   i. $38,000 Parking Enforcement Equipment
   ii. ($200,000) reduction in depreciation expense, current rate not adequate to fund depreciation costs
   iii. ($250,400) reduction in year on year special equipment – New Street Garage access control equipment/pay stations for RMA, Hardy, Augusta Street lots

e) Environmental Fund – $3,334,793, $100,843 increase, 3.1% increase
   i. 10% refuse/recycling rate increase
      a. $234,000 additional revenue from increase
      b. $1.90 per month which equals an annual increase of $22.80 for residential service
   ii. $100,000 from fund balance to cover revenue deficit
   iii. $728,778 City share of landfill costs
   iv. $430,606 cost of recycling collection
      a. $160,000 recycling truck replacement

8. <u>General Assembly Changes?</u>

a) All proposed changes are on hold; General Assembly may reconvene during the summer in order to better assess the economic impact on the state

9. <u>Council questions?</u>