

Staunton City Council Budget Work Session May 14, 2020

FY2021 Revised Budget Plan

FY2021 Revised Budget

Column	A	B	C	C - A
	FY2020 ADOPTED	FY2021 PROPOSED	FY2021 REVISED	FY2020 / FY2021 Revised Budget
CITY GOVERNMENTAL FUNDS				
General Fund	\$ 59,275,000	\$ 60,947,666	\$ 56,374,701	\$ (2,900,299)
Debt Service Sinking Fund	4,844,415	4,844,415	4,844,415	0
Blue Ridge Court Services Fund	1,056,660	1,100,407	1,092,973	36,313
City Capital Improvement Fund	841,050	941,050	0	(841,050)
Total Governmental Funds	\$ 66,017,125	\$ 67,833,538	\$ 62,312,089	\$ (3,705,036)
CITY PROPRIETARY FUNDS				
Water Fund	\$ 4,979,000	\$ 5,046,810	\$ 5,046,810	\$ 67,810
Sewer Fund	4,812,390	4,562,393	4,562,393	(249,997)
Environmental Fund	3,233,950	3,334,793	3,334,793	100,843
Stormwater Fund	1,586,250	1,292,316	1,292,316	(293,934)
Parking Fund	980,475	540,120	540,120	(440,355)
Total Proprietary Funds	\$ 15,592,065	\$ 14,776,432	\$ 14,776,432	\$ (815,633)
Total City Budget	\$ 81,609,190	\$ 82,609,970	\$ 77,088,521	\$ (4,520,669)
STAUNTON SCHOOL BOARD				
Education Fund	\$ 33,637,650	\$ 34,579,201	\$ 32,471,473	\$ (1,166,177)
State Operated Programs	2,829,900	3,006,406	2,981,645	151,745
Cafeteria Fund	1,440,000	1,481,214	1,471,709	31,709
School Textbook Fund	300,000	276,735	277,273	(22,727)
School Capital Improvements Fund	100,000	200,000	0	(100,000)
Total Education Funds	\$ 38,307,550	\$ 39,543,556	\$ 37,202,100	\$ (1,105,450)
Grand Total All Funds	\$ 119,916,740	\$ 122,153,526	\$ 114,290,621	\$ (5,626,119)

Unique aspects of FY2021's Budget Ordinance

FY2021's Budget Ordinance has multiple unique features incorporated into its text.

- 1) Recitals A – M at the beginning of the ordinance were prepared by the City Attorney to provide the citizens of Staunton and Council a synopsis of the circumstances behind the development of the FY2021 Budget.
- 2) Section 2 – 60% appropriation of approved budget amount with subsequent appropriations to occur beginning in the fall of 2020.
- 3) Section 9 – provides an avenue to redirect a portion of Council's salary, that is the equivalent of a 10-day furlough, or 3.85%, back to the City's General Fund.

FY2021 Revised Budget / Appropriation Requests

Fund		FY2021 Budget Request	FY2021 Appropriation Request
General Fund		\$ 56,374,701	\$ 33,824,821
Debt Service Fund		4,844,415	2,906,649
CIP Fund		0	0
Blue Ridge Court Services		1,092,973	655,784
Water Fund		5,046,810	3,028,086
Sewer Fund		4,562,393	2,737,436
Parking Fund		540,120	324,072
Stormwater Fund		1,292,316	775,390
Environmental Fund		3,334,793	2,000,876
Education Fund		32,471,473	19,482,884
Cafeteria Fund		1,471,709	883,025
Textbook Fund		277,273	166,364
School CIP		0	0
School State Operated Program		2,981,645	1,788,987
Total		\$ 114,290,621	\$ 68,574,373

FY2021 Revised Budget Request

- Real Estate tax rate remains unchanged at \$.95 per \$100 of assessed value
- Downtown Service District tax rate remains unchanged at \$.15 per \$100 of assessed value
- Personal Property tax rate remains unchanged at \$2.90 per \$100 of assessed value
- Machinery and Tools tax rate remains unchanged at \$1.24 per \$100 of assessed value

FY2021 Revised Budget Request

- Water rates are proposed to increase by 5%
- Sewer rates are proposed to remain unchanged
- Refuse rates are proposed to increase by 10%
- Stormwater fees are proposed to remain unchanged
- Parking fees are proposed to remain unchanged

FY2021 Revised Budget Request – Schools

- As part of the FY2021 Budget process the Schools have elected to use \$703,000 in Federal CARES Act funds to mitigate the economic impact on the FY2021 Budget.
- The CARES Act provides support to K-12 education in a variety of different ways. Schools will be utilizing these funds to the fullest extent possible in FY2021.

FY2021 Revised Budget Request – Schools

School reductions include the elimination of:

- Proposed 2% salary increase
- Six of seven new positions
- Additional Pre K slots
- Proposed salary and stipend adjustments
- Numerous non-compensation line items

FY2021 – Budget Adoption

- At the present time, the total proposed **FY2021 Budget = \$114,290,621**
 - Staff seeks Council's approval of the total amount.
- The appropriation request will be at 60% of the approved budget or \$68,574,373
 - A 60% appropriation will allow funds for contractual obligations, which often are paid in full at the beginning of the year.
 - Other line items will be funded through the first six months of the fiscal year.
- Staff will return to Council in the fall for additional appropriations
 - By then, staff hopes to have a better sense of the full impact of the pandemic on the City's budget.

CARES Act Relief to Local Governments

On May 12, 2020 the City was notified by the Commonwealth of Virginia that we are the recipient of a \$2.1 million CARES grant for costs that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

There are very specific uses for these funds and staff will be working on an expenditure plan to bring before Council in the coming weeks.

All monies not expended by December 30, 2020 must be returned to the Commonwealth of Virginia.

Discussion and Questions