

**PROPOSED BUDGET
FISCAL YEAR
JULY 1, 2026 – JUNE 30, 2027**

**CITY COUNCIL PRESENTATION
TUESDAY, APRIL 14, 2026**

ANDE BANKS, CITY MANAGER



HARRISONBURG 2045: A CITY FOR ALL

WE PROVIDE A QUALITY URBAN LIVING OPTION FOR EVERYONE WHO WANTS TO RESIDE HERE.

OUR DIVERSE POPULATION THRIVES IN A WELCOMING CITY WHERE ALL ARE VALUED AS FRIENDS AND NEIGHBORS.

OUR INCLUSIVENESS IS OUR STRENGTH AND REFLECTS THE TRUE SPIRIT OF OUR CITY.

THE PILLARS OF OUR MULTICULTURAL, MULTI-ETHNIC, AND MULTI-GENERATIONAL CITY CONSIST OF A ROBUST ECONOMY AND A VIBRANT EDUCATION EPICENTER, ALONG WITH A BROAD RANGE OF AMENITIES AND A BEAUTIFUL NATURAL ENVIRONMENT THAT ENRICH LIFE.

THIS IS MADE POSSIBLE BY THE FISCALLY SOUND PLANNING OF OUR STAFF AND ELECTED LEADERS.

BOLD THINKING, COMMUNITY INPUT, AND BEST PRACTICES LEAD THE CITY TO CONSIDER NEW PATHS AND STRUCTURES THAT HAVE LED TO OUR RECOGNITION AS A MODEL LOCALITY.

CITY SERVICES • FISCAL RESPONSIBILITY AND PLANNING •

• A THRIVING EDUCATIONAL EPICENTER • AVAILABLE HOUSING

BUDGET PREPARATION PROCESS

NOVEMBER 2025

Budget Instructions Distributed to Departments
Civic and Community Organization Grant Application
Process Begins

JANUARY 2026

Department Budget Submission Deadline January 20
Civic and Community Organization Grant Application
Submission Deadline January 30

FEBRUARY- MARCH 2026

Department Budget Meetings
Civic and Community Organization Grant Evaluation
Committee Application Review

MARCH 24-MARCH 31, 2026

City Manager's Budget finalized

FOCUS OF THE PROPOSED BUDGET



Maintains existing levels of City services while addressing increased operational expenses



Proposes no increase to current tax rates



Continues to implement City Council's 2045 priorities



Accommodates increases to City employee compensation and the employer contribution to health insurance



Invests in water and sewer infrastructure through increases to utility rates



Invests in infrastructure and maintenance through increases to the stormwater fee

BUDGET DEVELOPMENT CHALLENGES

- Total new tax revenue available to meet operational needs amounts to \$3.3 million, and there is a desire to not increase tax rates.
- City departments continue to experience increases in costs of goods and services, particularly for technology.
- Similar to City departments, partner agencies and shared services with the County also have increased funding needs.

BUDGET HIGHLIGHTS

\$3.7 million

Investments in water and sewer infrastructure

\$2.5 million

County shared services and partner agencies

\$1.8 million

3% pay increase for City employees

\$1.4 million

Stormwater infrastructure

\$1.4 million

Employer share of health insurance increase

\$1 million

South Ave culvert across Blacks Run

\$637,000+

Implementation of City Council priorities

\$518,000

HCPS Career and Technical Education Program

CITY COUNCIL PRIORITIES FY27 HIGHLIGHTS



Housing Fund Set-Aside
\$250,000



Expansion of Summer
Camp Programming
\$50,000



Harrisonburg
Entrepreneurship
Development Initiative
\$52,500



Website Update and
Citizen's Survey
\$85,000



Traffic Calming Program
\$200,000

NEW FULL-TIME POSITIONS

Fire Department

Training Officer (1)

Parks and Recreation

Maintenance
Journeyman (3)

Police Department

Police Officers (2)

Public Transportation

Transit Drivers (10)

Public Utilities

Asset Manager (1)
Water Service
Technician (1)

Public Works

Crew Supervisor (1)
Technicians (2)

CIVIC AND COMMUNITY ORGANIZATION GRANT FUNDING RECOMMENDATIONS

- **47** organizations applied, with requests totaling **\$812,827**.
- The proposed budget includes **\$400,000** in funding for outside agencies.

BUDGET OVERVIEW

TAX RECOMMENDATIONS

Tax Rate	Increase/ Decrease	2025-26 Rate	Proposed 2026-27 Rate
Real Estate	\$0.00/\$100	\$1.01	\$1.01
Personal Property (vehicles)	\$0.00/\$100	\$3.45	\$3.45
Personal Property (business)	\$0.00/\$100	\$2.12	\$2.12

RATE AND FEE RECOMMENDATIONS

Other Rates and Fees	Current 2025-26	Proposed 2026-27
Water Utility Rate (per 5,000 gallons)	\$22.20	\$23.55
Sewer Utility Rate (per 5,000 gallons)	\$32.65	\$33.35
Sanitation Collection Fee (residential per month)	\$21.00	\$21.00
Stormwater Fee (per billing unit)	\$8.00	\$10.00

POPULATION ESTIMATES AND COMPARABLES

	Population	Pop. % increase since 2020	FY26 Real Estate	FY26 Personal Property
Waynesboro	23,953	7.9%	\$0.82	\$3.25
Staunton	26,834	4.2%	\$0.91	\$2.90
Winchester	30,075	7.0%	\$0.795	\$4.80
Charlottesville	46,923	0.8%	\$0.98	\$4.40
Harrisonburg	53,715	3.7%	\$1.01	\$3.45
Lynchburg	81,417	3.0%	\$0.84	\$3.80
Roanoke	100,086	0.1%	\$1.22	\$3.45
Rockingham County	89,391	6.7%	\$0.68	\$3.00

Source: Weldon Cooper Center for Public Service Population Data

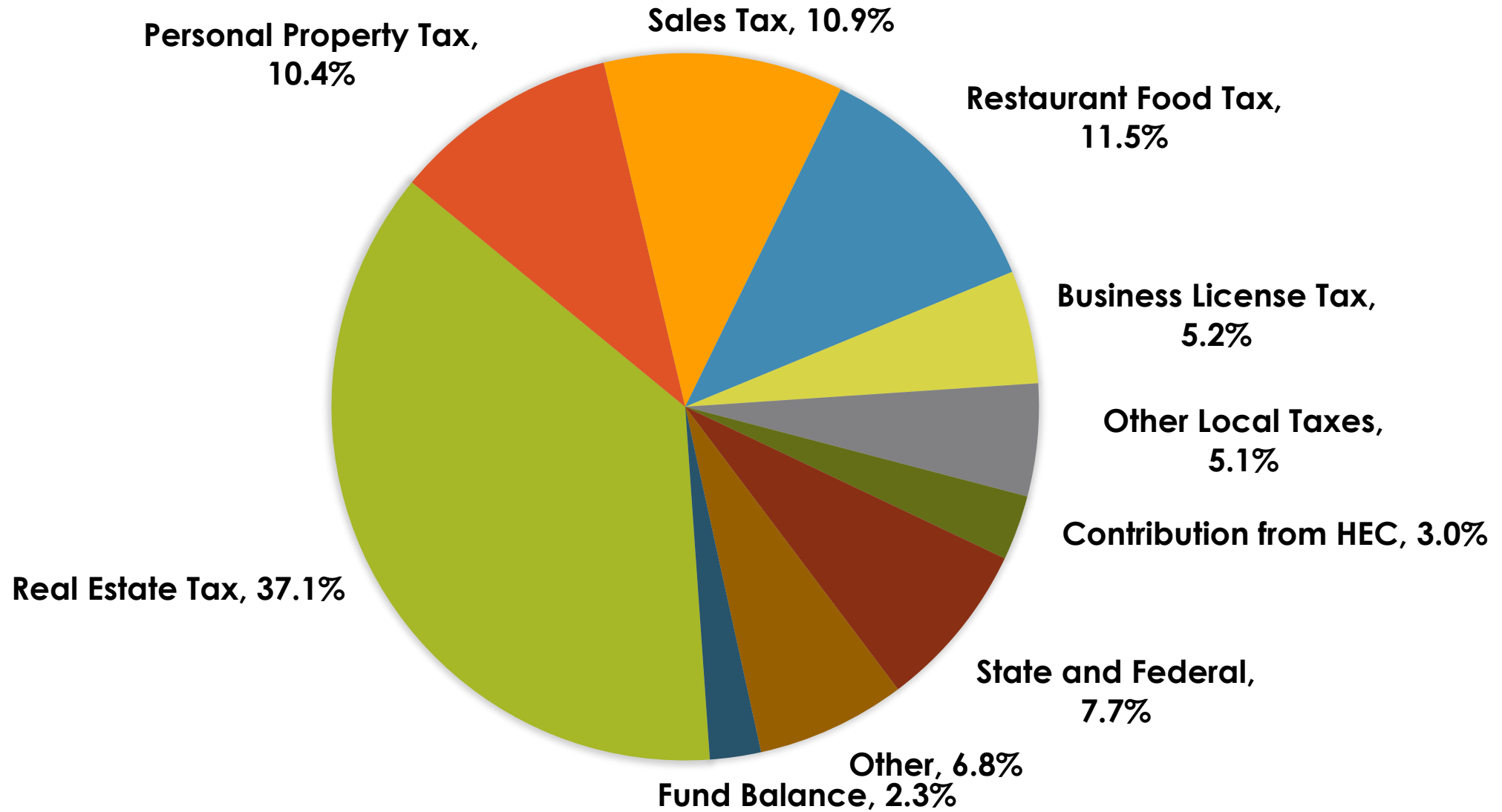
ALL FUND BUDGETS

Fund	Budget	% of Budget
General	\$ 174,889,124	42.9%
School	129,547,142	31.8%
School Nutrition	7,279,067	1.8%
Emergency Communications Center	11,725,150	2.9%
Community Development Block Grant	490,000	0.1%
School Transportation	7,694,900	1.9%
General Capital Projects	15,489,635	3.8%
Emergency Comm. Capital Projects	1,200,000	0.3%
Water Capital Projects	2,599,300	0.6%
Sewer Capital Projects	1,094,600	0.3%

ALL FUND BUDGETS

Fund		Budget	% of Budget
Stormwater Capital Projects	\$	1,417,800	0.3%
Water		16,484,040	4.0%
Sewer		16,561,980	4.1%
Public Transportation		11,371,384	2.8%
Sanitation		4,047,040	1.0%
Business Loan Program		100,000	0.0%
Stormwater		2,311,120	0.6%
Central Garage		2,914,950	0.7%
Central Stores		241,040	0.1%
Total	\$	407,458,272	

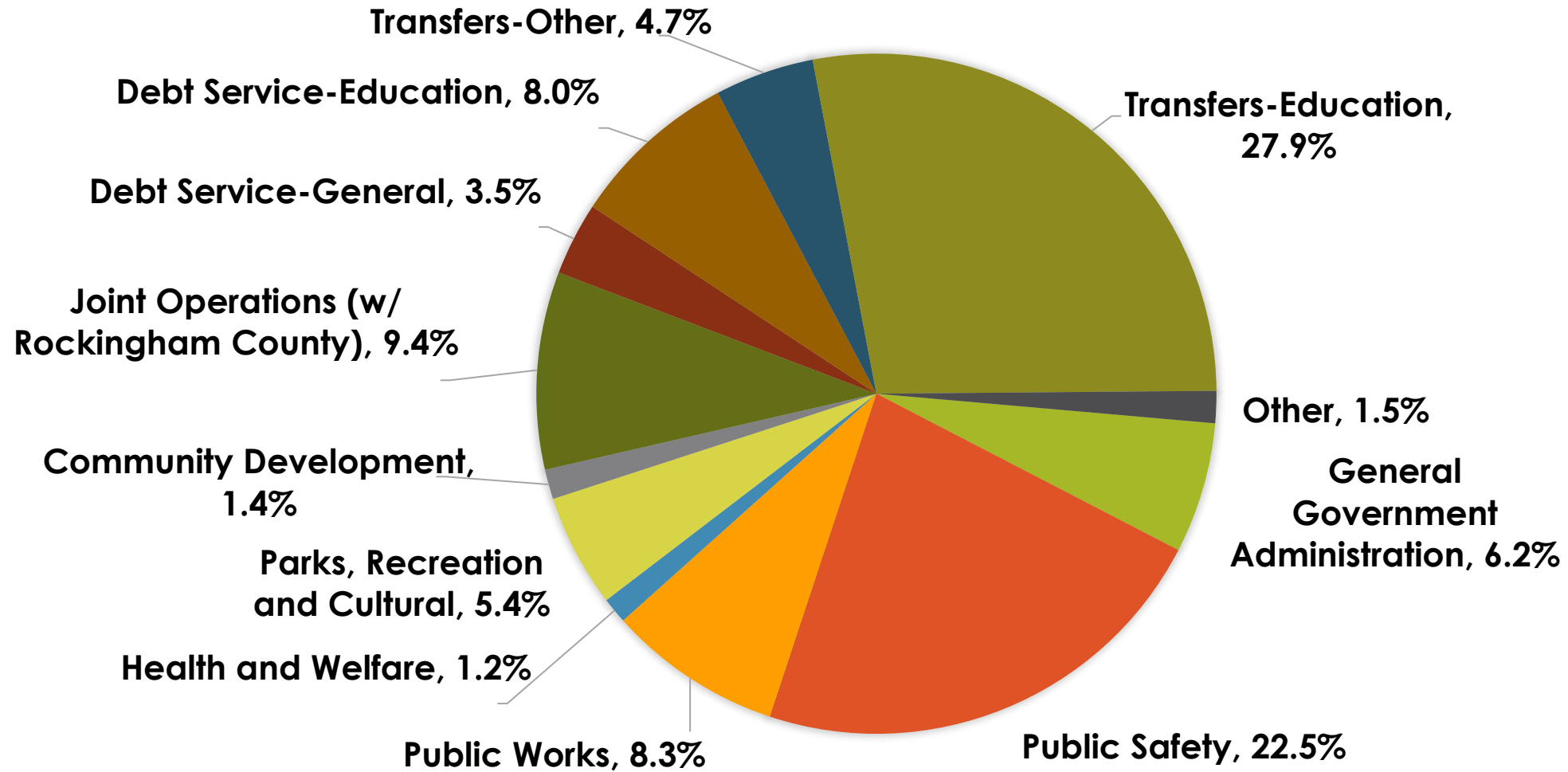
GENERAL FUND REVENUES



COMPARISON OF REVENUES - GENERAL FUND

Function	FY 2026 Adopted	FY 2027 Proposed	Increase (Decrease)	% Change
General Property Taxes	\$81,751,200	\$83,528,000	\$1,776,800	2.2%
Other Local Taxes	57,886,000	59,390,400	1,504,400	2.6%
Permits and Fees	567,950	567,950	0	0%
Fines and Forfeitures	595,000	565,000	(30,000)	-5%
Use of Money and Property	2,232,000	2,075,000	(157,000)	-7%
Charges for Services	1,843,200	1,917,700	74,500	4%
Miscellaneous	6,077,995	6,085,000	7,005	0.1%
Recovered Costs	924,702	924,581	(121)	0%
State Revenue	12,557,733	13,172,033	614,300	4.9%
Federal Revenue	903,500	253,300	(650,200)	-72%
Nonrevenue Receipts	43,940	45,630	1,690	3.9%
Transfers	2,010,600	2,286,600	276,000	13.7%
Fund Balance	7,757,000	4,077,930	(3,679,070)	-47.4%
Total	\$175,150,820	\$174,889,124	\$(261,696)	-0.2%

GENERAL FUND EXPENDITURES



COMPARISON OF EXPENDITURES - GENERAL FUND

Function	FY 2026 Adopted	FY 2027 Proposed	Increase (Decrease)	% Change
General Government Admin	\$10,554,600	\$10,875,463	\$320,863	3%
Public Safety	37,144,439	39,301,111	2,156,672	5.8%
Public Works	15,305,084	14,515,391	(789,693)	-5.2%
Health and Welfare	2,156,514	2,153,676	(2,838)	-0.1%
Parks, Recreation and Cultural	9,372,291	9,415,592	43,301	0.5%
Community Development	2,396,265	2,469,275	73,010	3%
Joint Operations (R'ham Cty)	13,863,600	16,431,960	2,568,360	18.5%
Debt Service-General	6,063,555	6,065,088	1,533	0%
Debt Service-Education	14,004,083	13,999,456	(4,627)	0%
Transfers-Other	9,544,372	8,255,910	(1,288,462)	-13.5%
Transfers-Education	52,315,005	48,742,305	(3,572,700)	-6.8%
Other	2,431,012	2,663,897	232,885	9.6%
Total	\$175,150,820	\$174,889,124	\$(261,696)	-0.2%

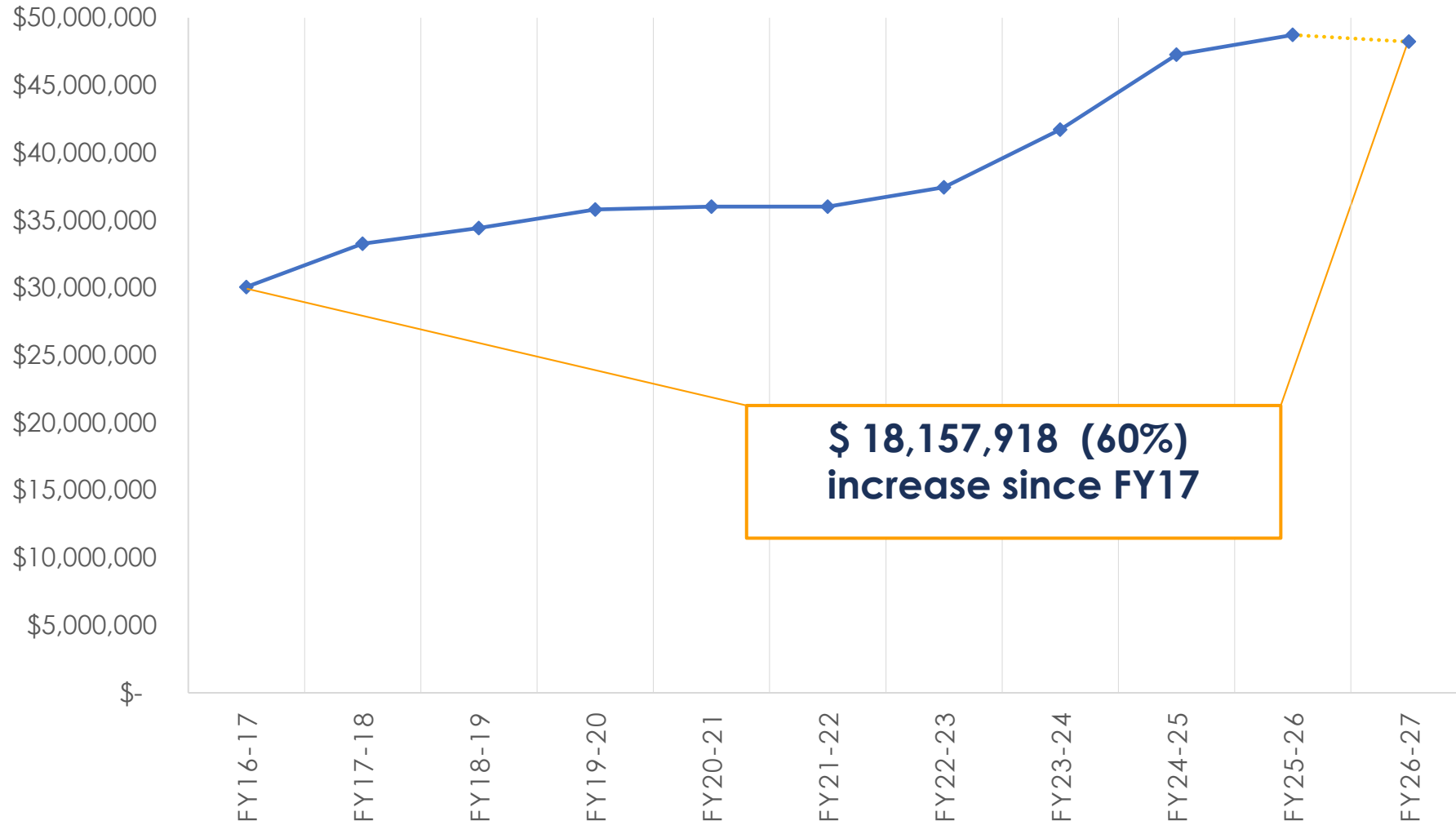
CITY SCHOOLS

HIGHLIGHTS

FUNDING IN PROPOSED FY2027 BUDGET FOR SERVICES SUPPORTING CITY SCHOOLS

Function	FY 2026 Adopted	FY 2027 Proposed	Increase (Decrease)	Percentage Change
School Fund	\$123,642,104	\$129,547,142	\$5,905,038	4.8%
School Nutrition Fund	6,523,581	7,279,067	755,486	11.6%
School Capital Projects Fund	3,269,000	0	-3,269,000	-100.0%
School Transportation Fund	7,076,580	7,694,900	618,320	8.7%
Debt Service- Education	14,004,083	13,999,456	-4,627	0.0%

LOCAL APPROPRIATION TO CITY SCHOOLS FY17-FY27 PROPOSED



BUDGET CALENDAR

Tuesday, April 14, 2026

City Council Meeting

- City Manager's FY27 Budget Presentation
- City Council Sets Proposed Real Estate Tax Rate

Tuesday, April 28, 2026

City Council Meeting

- Proposed FY27 Budget Public Hearing

Tuesday, May 12, 2026

City Council Meeting

- First Reading of FY27 Budget

Tuesday, May 26, 2026

City Council Meeting

- Second Reading and Adoption of FY27 Budget
- Real Estate Tax Rate Public Hearing

Sunday, May 31, 2026

Final Date for Budget Adoption as Required by City Charter

**The City Manager's Proposed Budget
and Budget in Brief are available
online at:**

[https://www.harrisonburgva.gov/
budget](https://www.harrisonburgva.gov/budget)