



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: May 17, 2021
RE: Fiscal Year 2021-2022 Budget - Second Reading and Approval

Summary: Consider adopting the Fiscal Year 2021-2022 budget by approving the Appropriation Ordinance.

Background: The proposed Fiscal Year 2021-2022 budget was presented to City Council at its April 13, 2021 meeting and a public hearing was held at its April 27, 2021 meeting. The first reading of the budget occurred at the May 11, 2021 City Council meeting. The budget must be approved by May 31, 2021.

Key Issues: Included in the Appropriation Ordinance are several changes based on information that the City has received or were requested City Council changes since the budget was proposed on April 13, 2021. Based on General Assembly action, the Registrar's salary will be increased to a level comparable to that of local Treasurer salaries with a corresponding increase to both the Registrar's budget and state revenue in the amount of \$40,916. Capital outlay funding sources in the Public Transportation Fund have also been adjusted to reflect more state revenue with a corresponding reduction in federal revenue. An additional \$100,000 for community contributions requested by City Council. An increase in real estate tax revenue and debt service expenditures in the amount of \$1,794,400 reflective of a \$0.04 per \$100 of assessed value increase in the real estate tax rate. Finally, the distribution of the 3% salary increase for employees to the various departments has also been included in the Appropriation Ordinance.

Environmental Impact: None

Fiscal Impact: The adopted budget will become effective July 1, 2021.

Prior Actions: City Manager presentation of the budget at the April 13, 2021 City Council meeting and a public hearing held at the April 27, 2021 City Council meeting.

Alternatives: (1) Approve the appropriation ordinance as is, (2) Approve the appropriation ordinance with additional changes, (3) Do not approve the appropriation ordinance at this time but it must be approved by May 31, 2021.

Community Engagement: A public hearing was held on April 27, 2021.

Recommendation: Recommend approval of the budget.

Attachments: Appropriation Ordinance, Changes to the Proposed Budget Worksheet and Community Contributions.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.