

**PROPOSED BUDGET
FISCAL YEAR
JULY 1, 2024 – JUNE 30, 2025**

City Council Presentation
Tuesday, April 9, 2024

Ande Banks, City Manager



HARRISONBURG 2043

CAPITAL OF THE SHENANDOAH VALLEY



We are the capital of the Shenandoah Valley.

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.



Budget Preparation Process

•December 2023

•Budget Instructions Distributed to Departments

•Civic and Community Organization Grant Application Process Begins



•January 2024

•Department Budget Submission Deadline January 24

•Civic and Community Organization Grant Application Submission Deadline January 30



•February- March 2024

•Department Budget Meetings

•Civic and Community Organization Grant Evaluation Committee



March 25-March 29, 2024

City Manager's Budget finalized



Focus of the Proposed Budget

- Increases the real estate tax rate to accommodate the opening of Rocktown High School and other City Schools new operational expenses
- Accommodates increases to compensation and the employer contribution to health insurance
- Continues the gradual adjustment to utility rates as sound financial planning for once-in-a-century water and sewer capital projects
- Begins to implement City Council's 2043 priorities



Budget Development Challenges

- There is less projected growth in City property tax and other local tax revenue compared to FY24.
- The City Schools requested a \$6.6 million, or 15.8%, increase in funding over FY24 Adopted Budget.
- The State budget is not yet adopted.
- City departments continue to experience increases in the cost of goods.
- Partner agencies requested increased funding largely for compensation adjustments.



Budget Highlights

\$6.6 million	Increased transfer to City Schools
\$5 million	Funding for Old Municipal Building renovation
\$4 million	Investments in water and sewer infrastructure
\$1.7 million	3% Salary increase for employees
\$1.65 million	Court Services office expansion
\$1.5 million	ARPA projects contingency
\$1.5 million	Staffing and equipping Fire Station 5
\$750,000	South Avenue culvert replacement
\$575,000	Westover Pool dome replacement
\$555,000	Increased employer health insurance contributions
\$340,000	Sustainability projects: Greenhouse Gas Inventory, Building Energy Audit, Turner Pavilion Solar project
\$300,000	Morrison Park restroom replacement



New Full-Time Positions

City Manager's Office

- Outreach and Communications Specialist

Fire

- Firefighter I (15)
- Firefighter Lt. (2)
- Firefighter Capt.

Parks and Recreation

- Technician I

Police

- Police Officer I (2) – School Resource Officers for Rocktown HS

Public Transportation

- Paratransit Bus Drivers (2)
- Transit Bus Drivers (2)
- Dispatcher

Public Utilities

- Water Treatment Operator

Public Works

- Custodian



Civic and Community Organization Grant Funding Recommendations

- **42** organizations applied, with requests totaling **\$807,851**.
- The proposed budget includes **\$400,000** in funding for **42** outside agencies.

Budget Overview



Tax and Fee Recommendations

Tax Rate	Increase/ Decrease	2023-24 Rate	Proposed 2024-25 Rate
Real Estate	\$0.08/\$100	\$0.96	\$1.04
Personal Property (vehicles)	\$0.00/\$100	\$3.45	\$3.45
Personal Property (business)	\$0.00/\$100	\$2.12	\$2.12
Water*	\$0.22/1000 gal	\$19.95	\$21.05
Sewer*	\$0.18/1000 gal	\$30.95	\$31.85

* Based on avg. residential use of 5000 gallons/month.



Population Estimates and Comparables

	POPULATION	% increase since 2010	FY24 Real Estate	FY24 Personal Property
Waynesboro	22,651	5.8%	\$0.77	\$3.25
Staunton	25,669	8.5%	\$0.89	\$2.90
Winchester	28,734	7.2%	\$0.83	\$4.80
Charlottesville	51,132	17.5%	\$0.96	\$4.20
Harrisonburg	55,990	12.2%	\$0.96	\$3.45
Lynchburg	80,736	6.3%	\$0.89	\$3.80
Roanoke	99,045	3.0%	\$1.22	\$3.45
Rockingham County	85,508	9.7%	\$0.68	\$3.00



All Funds Expenditures

FUND		BUDGET	% of Budget
General	\$	173,090,714	42.8%
School		118,416,957	29.3%
School Nutrition		6,454,027	1.6%
Emergency Communications Center		9,896,120	2.4%
Community Development Block Grant		500,000	0.1%
School Transportation		6,746,979	1.7%
General Capital Projects		28,886,465	7.1%
School Capital Projects		520,000	0.1%
Emergency Comm. Capital Projects		0	0.0%
Water Capital Projects		2,798,489	0.7%
Sewer Capital Projects		1,304,998	0.3%



All Funds Expenditures

FUND		BUDGET	% of Budget
Sanitation Capital Projects	\$	0	0.0%
Stormwater Capital Projects		1,007,325	0.3%
Water		15,341,700	3.8%
Sewer		15,889,190	3.9%
Public Transportation		13,902,924	3.4%
Sanitation		5,369,740	1.3%
Business Loan Program		100,000	0.0%
Stormwater		1,472,680	0.4%
Central Garage		2,978,030	0.7%
Central Stores		225,352	0.1%
Total	\$	404,901,690	



General Fund Revenues

Sales Tax, 10.6%

Personal Property Tax,
10.2%

Restaurant Food Tax,
11.2%

Business License Tax,
5.0%

Other Local Taxes,
4.9%

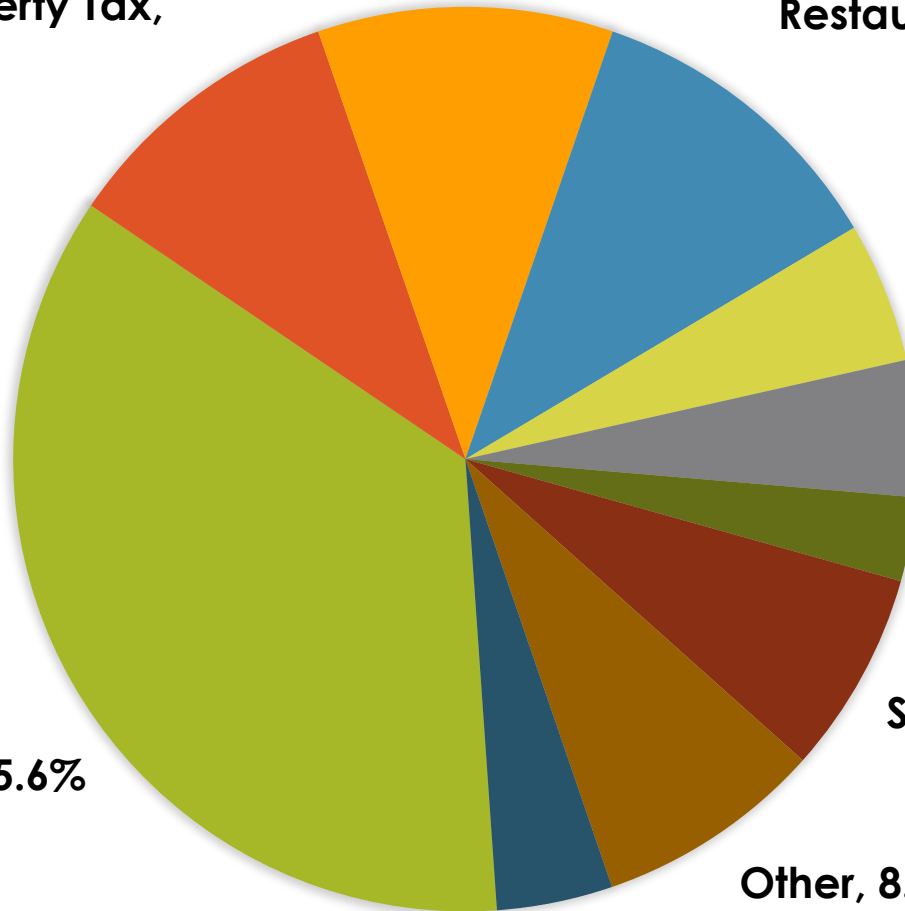
Contribution from HEC,
3.0%

State and Federal,
7.2%

Real Estate Tax, 35.6%

Other, 8.1%

Fund Balance, 4.1%



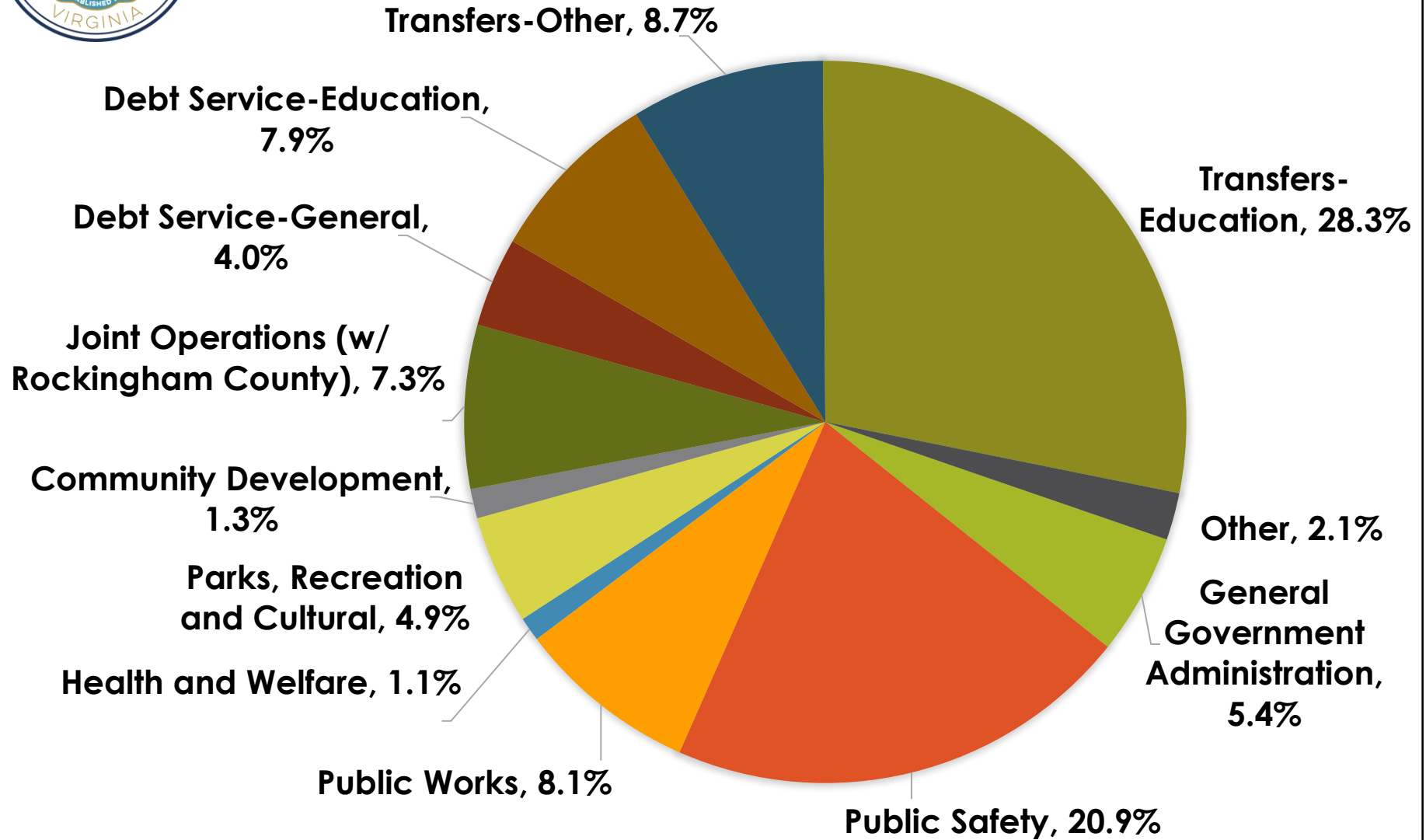


Comparison of Revenues - General Fund

FUNCTION	FY 2024 Adopted	FY 2025 Proposed	Increase (Decrease)	% Change
General Property Taxes	\$72,161,100	\$79,874,400	\$7,713,300	10.7%
Other Local Taxes	54,156,200	56,586,600	2,430,400	4.5%
Permits and Fees	577,950	567,950	(10,000)	-1.7%
Fines and Forfeitures	285,000	1,775,000	1,490,000	522.8%
Use of Money and Property	3,000,000	3,651,200	651,200	21.7%
Charges for Services	1,550,800	1,660,200	109,400	7.1%
Miscellaneous	5,968,375	6,054,125	85,750	1.4%
Recovered Costs	928,973	982,890	53,917	5.8%
State Revenue	11,155,533	12,299,783	1,144,250	10.3%
Federal Revenue	295,466	247,966	(47,500)	-16.1%
Nonrevenue Receipts	50,000	50,000	0	0%
Transfers	2,170,600	2,170,600	0	0%
Fund Balance	5,000,000	7,170,000	2,170,000	43.4%
Total	\$157,299,997	\$173,090,714	\$15,790,717	10.0%



General Fund Expenditures





Comparison of Expenditures – General Fund

FUNCTION	FY 2024 Adopted	FY 2025 Proposed	Increase (Decrease)	% Change
General Government Admin	\$8,215,354	\$9,397,934	\$1,182,580	14.4%
Public Safety	32,777,344	36,183,243	3,405,899	10.4%
Public Works	12,517,193	14,056,668	1,539,475	12.3%
Health and Welfare	1,759,183	1,869,202	110,019	6.3%
Parks, Recreation and Cultural	6,853,352	8,462,764	1,609,412	23.5%
Community Development	2,010,719	2,269,387	258,668	12.9%
Joint Operations (R'ham Cty)	11,480,800	12,687,470	1,206,670	10.5%
Debt Service-General	6,831,959	6,917,272	85,313	1.2%
Debt Service-Education	13,650,848	13,644,998	(5,850)	0%
Transfers-Other	12,491,455	15,018,190	2,526,735	20.2%
Transfers-Education	42,267,782	48,931,357	6,663,575	15.8%
Other	6,444,008	3,652,229	(2,791,779)	-43.3%
Total	\$157,299,997	\$173,090,714	\$15,790,717	10.0%

City Schools

HIGHLIGHTS

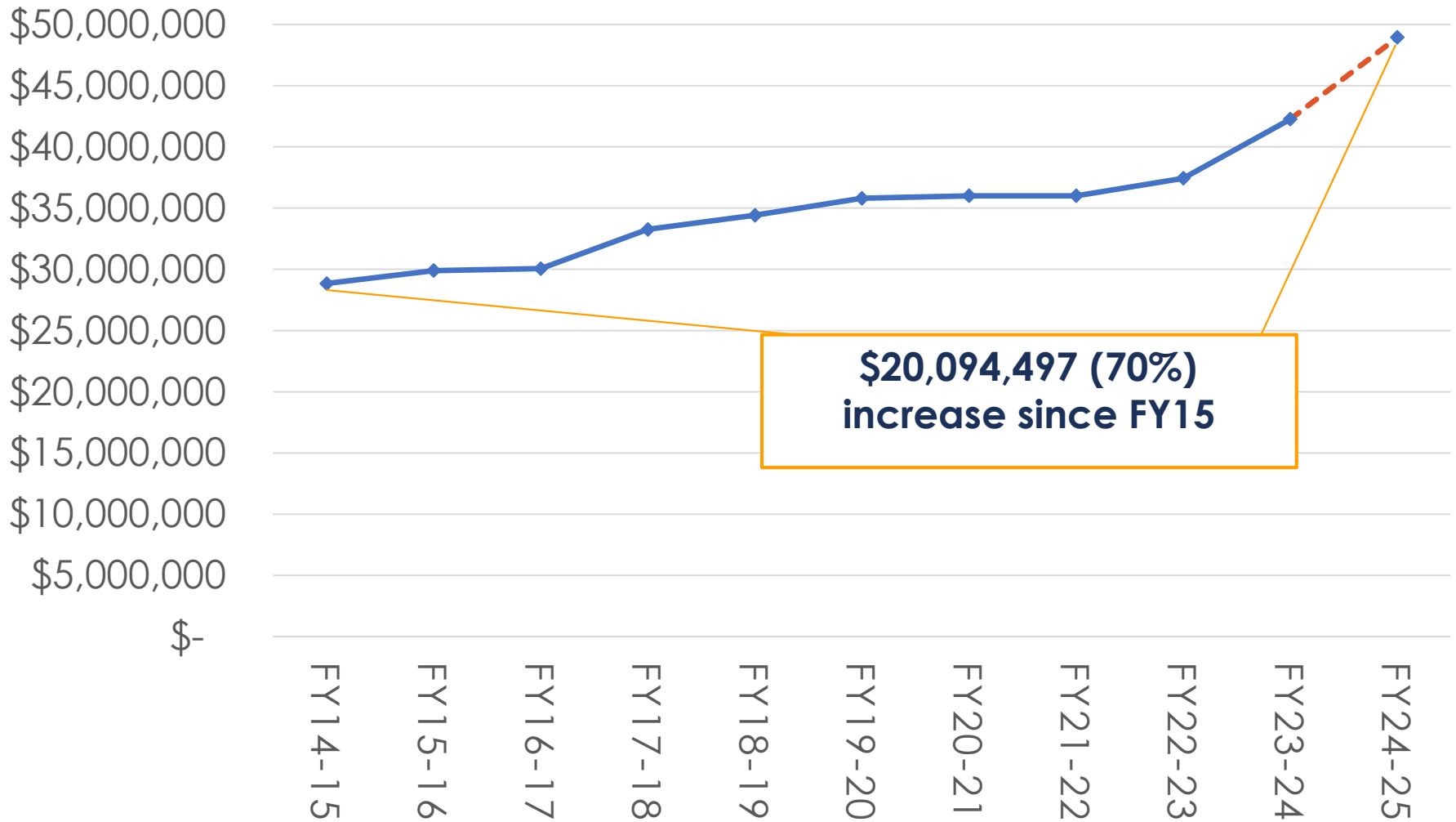


Funding in Proposed FY2025 Budget for Services Supporting City Schools

FUNCTION	FY 2024 Adopted	FY 2025 Proposed	Increase (Decrease)	Percentage Change
School Fund	\$114,369,093	\$118,416,957	\$4,047,864	3.5%
School Nutrition Fund	5,999,426	6,454,027	454,601	7.6%
School Capital Projects Fund	3,000,000	520,000	(2,480,000)	-82.7%
School Transportation Fund	6,256,723	6,746,979	490,256	7.8%
Debt Service- Education	13,650,848	13,644,998	(5,850)	0.0%



Local Appropriation to City Schools FY15-FY25 Proposed



Budget Calendar

Tuesday, April 9, 2024 at 7:00pm

City Council Meeting

- City Manager's FY25 Budget Presentation
- City Council Sets Proposed Real Estate Tax Rate

Tuesday, April 23, 2024 at 7:00pm

City Council Meeting

- Proposed FY25 Budget Public Hearing

Tuesday, May 14, 2024 at 7:00pm

City Council Meeting

- First Reading of FY25 Budget

Tuesday, May 28, 2024 at 7:00pm

City Council Meeting

- Second Reading and Adoption of FY25 Budget
- Real Estate Tax Rate Public Hearing

Wednesday, May 31, 2024

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)

