



# City of Harrisonburg, VA Proposed Budget

For the Fiscal Year  
July 1, 2014 to June 30, 2015

# General Fund Revenues

FUNCTION		BUDGETED AMT
Amount from fund balance	\$	0
General property taxes	\$	36,994,200
Other local taxes	\$	36,652,870
Permits, privilege fees and regulatory fees	\$	397,270
Fines and forfeitures	\$	600,000
Use of money and property	\$	170,000
Charges for services	\$	1,358,000
Miscellaneous	\$	5,223,100
Recovered costs	\$	920,140
State revenue	\$	9,991,402
Nonrevenue receipts	\$	37,000
Transfers	\$	1,777,920
<b>Total</b>	<b>\$</b>	<b>94,121,902</b>



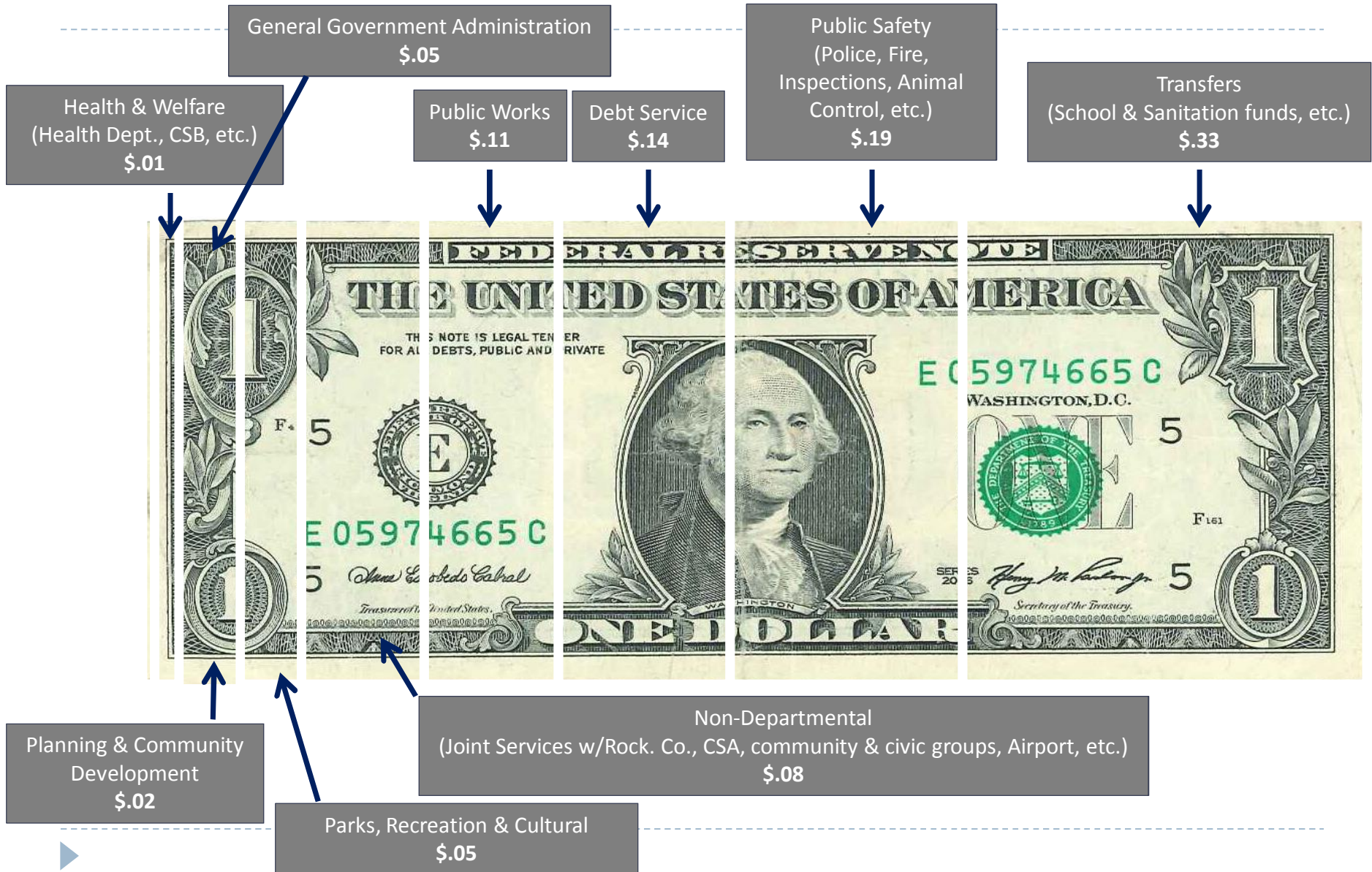
# General Fund Expenditures

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FUNCTION		BUDGETED AMT
General Government Administration	\$	4,472,690
Public Safety	\$	18,225,511
Public Works	\$	10,160,463
Health and Welfare	\$	967,533
Parks, Recreation and Cultural	\$	4,805,653
Planning and Community Development	\$	1,859,460
Non-Departmental	\$	9,399,708
Debt Service	\$	12,861,909
Transfers	\$	31,368,975
<b>Total</b>	<b>\$</b>	<b>94,121,902</b>



# Where Your Local Tax Dollar Goes...



# All Funds Expenditures

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<b>FUNCTION</b>	<b>BUDGETED AMT</b>
General Fund	\$ 94,121,902
School	\$ 62,705,788
School Nutrition	\$ 3,269,593
Emergency Communications Center	\$ 5,080,380
Community Development Block Grant	\$ 505,155
School Transportation	\$ 3,047,443
General Capital Projects	\$ 634,000
Water Capital Projects	\$ 617,485
Sewer Capital Projects	\$ 400,000
Steam Plant Capital Projects	\$ 2,000,000
Water	\$ 8,277,688
Sewer	\$ 11,645,260
Public Transportation	\$ 5,634,747
Sanitation Fund	\$ 14,950,611
Business Loan Program	\$ 58,395
Central Garage	\$ 1,244,489
Central Stores	\$ 150,427
<b>TOTAL</b>	<b>\$ 214,343,363</b>



## Revenue Highlights

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- ▶ Some growth in revenue from commercial & retail
- ▶ Real estate revenue growth has essentially remained flat for several years
- ▶ Total revenue increase of just over \$7M for All Funds (\$3.35M for the GF) compared to FY 14 original budget
- ▶ Continue to see an annual push in the General Assembly to eliminate the BPOL and machinery and tools taxes - significant sources of revenue for Harrisonburg



## Revenue Highlights

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### Non General Fund Notables:

- ▶ \$1.7M increase in state revenue for School Fund
- ▶ \$280,000 increase in federal revenue for School Nutrition Fund
- ▶ \$368,000 increase in federal Transit funding
- ▶ \$134,500 in additional water revenues generated from a rate increase of \$0.07 per 1000 gallons
- ▶ \$110,620 in additional sewer revenues generated from a rate increase of \$0.07 per 1000 gallons



## Expenditure Highlights

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- ▶ Making up for use of \$1.6M in fund balance to balance current year budget
- ▶ Increase in School Appropriation of \$1.4M
- ▶ Increase in “Shared Costs” with the County of \$800K (mainly due to increased jail costs)
- ▶ Implements “Option 2” of the compensation study recommendations
- ▶ Increase in health insurance rates of 13.1%
- ▶ No increases for outside agencies that are at “Council’s discretion” have been proposed, nor have any new agencies or programs been added





## Recommendations for Balanced Budget:

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Tax Rate	Increase	2013-14 Rate	Proposed Rate
Real Estate Tax Rate	\$0.06/\$100	\$0.63	\$0.69
Personal Property Tax Rate	\$0.50/\$100	\$3.00	\$3.50
Business Personal Property and Machinery & Tools	\$0.12/\$100	\$2.00	\$2.12
Vehicle License Fee	33%	\$30.00 (passgr vehicle)	\$40.00

- ▶ It *does not* propose the use of any Fund Balance to balance the budget.



# Comparative Demographics

City	Population	Real Estate	Personal Property
Lynchburg	77,376	\$1.11	\$3.80
Charlottesville	46,623	\$0.95	\$4.20
Winchester	26,961	\$0.98	\$4.50
Staunton	24,577	\$0.95	\$2.40
Waynesboro	21,015	\$0.75	\$5.00
Rockingham Co.	78,102	\$0.64	\$2.85
<b>Harrisonburg</b>	<b>52,127</b>	<b>\$0.69</b>	<b>\$3.50</b>
Median for Independent Cities:		\$0.97	\$4.00
Ranking of 38 VA Cities	12th	37th	

\*Source: Weldon Cooper Center for Public Service & Comparative Report for Local Government



## Water & Sewer Rates (residential)

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Based on 5000 gallons / month usage:

City	Water	Sewer
Winchester	\$ 39.40	\$ 50.80
Charlottesville	\$ 33.54	\$ 40.18
Waynesboro	\$ 29.58	\$ 50.05
Lynchburg	\$ 18.76	\$ 40.62
Rockingham Co.	\$ 15.67	\$ 25.45
<b>Harrisonburg</b>	<b>\$ 13.20</b>	<b>\$ 27.33</b>
<i>(includes \$0.07 increase)</i>		
DA Avg. Benchmark*	\$ 30.98	\$ 39.88

\*Source: Draper Aden, 25th Annual Virginia Water and Wastewater Rate Report 2013

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## Focus Remains on Maintaining Core Priorities:

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- ▶ **Education**

- ▶ **Public Safety**

(Police, Fire, Inspections)

- ▶ **Transportation**

(Streets, Bus Service, Bike Lanes/Trails, Sidewalks)

- ▶ **Water, Sewer, Solid Waste Management**



## Projects Underway, Nearing Construction Phase, or in Design Phase:

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- ▶ Transit Maintenance and Operations Facility
- ▶ Reservoir Street Widening
- ▶ Bluestone Trail Phase 1
- ▶ North End Greenway Phase 1 (design pending)
- ▶ Smithland Park Soccer Fields
- ▶ Ramblewood Park and Landfill Remediation
- ▶ New City Hall
- ▶ Chicago Avenue/Mt. Clinton Pike Widening
- ▶ Stone Spring Erickson Phase 4 (pending)



## Potential Challenges Ahead:

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- ▶ Stormwater Mgt Program – state & federal mandated programs to reduce Chesapeake Bay pollution
- ▶ New Elementary School – anticipated to be in the \$25-30M range – projected impact of \$1.7M per year in debt service and \$1.5 - 2M per year in operating costs
- ▶ Completion of Eastern Water Line – est. cost of \$20M
- ▶ VRS Adjustments – anticipated further state increases to employer share of the program, particularly for teachers
- ▶ Further health insurance increases



## Potential Challenges Ahead: (cont'd)

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- ▶ Expansion of Jail or building of 2<sup>nd</sup> site
- ▶ Completion of Bluestone and NEG bike trails (beyond Phase 1) – estimated \$2-3M
- ▶ Park View area water storage tank – estimated \$3M
- ▶ Completion of Smithland and Ramblewood Park projects
- ▶ Renovations to Fire Station #1
- ▶ Police Records Management System

