



HARRISONBURG **IVA**
FRIENDLY BY NATURE

BUDGET IN BRIEF

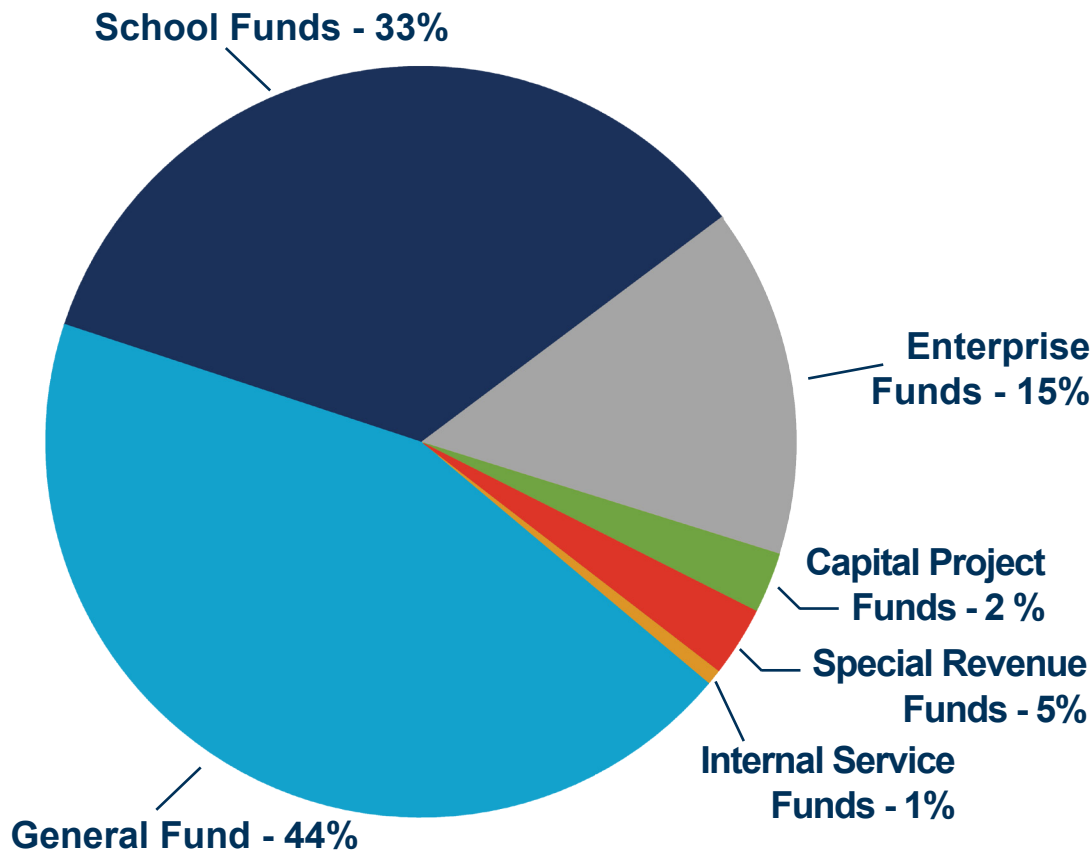
PROPOSED FISCAL YEAR 2020-2021



INTRODUCTORY INFORMATION

The Fiscal Year 2020-2021 citywide budget amounts to \$281,246,762. The largest budget is the General Fund, which primarily funds police, fire, planning, parks and recreation services, and public works, as well as internal support functions. The second largest budget is the School Fund, which supports school administration, instruction, pupil transportation, maintenance, and technology.

The City expects to fund approximately \$7,383,265 in capital projects, including Kids Castle at Purcell Park, renovations of the Martin Luther King, Jr. Bridge, new sanitation bins, safety cameras inside HCPS buses and continuation of the Eastern Raw Water Line.



Budget FY20-21

The budget operates on a fiscal year (FY), which runs July 1 through June 30.



Public Participation

The City invites members of the public to provide feedback in this process.



Contact

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Harrisonburg City Hall
409 S. Main St.
540.432.7701



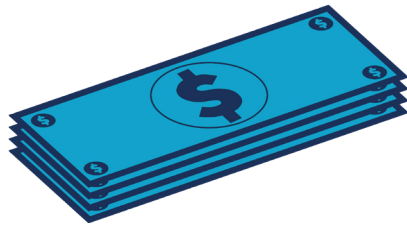


DEVELOPING THE CITY'S BUDGET

Designing a city budget is one of the most important jobs of a city manager and the city council. It requires a great deal of effort, a lot of time, a careful ordering of priorities, consultation with the comprehensive plan and capital improvement plan, and considerable input from residents.

BUDGET CHALLENGES

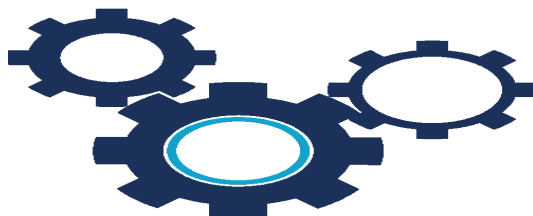
In preparing the budget, the city manager is often faced with the need to prioritize projects and needs within each department.



A significant challenge is always funding. The budget process comes down to balancing public expectation of service with a limited amount of money and prioritizing the needs of the city.



Technology serves as a great asset to the city but can be costly. There might be a need but factors that must also be considered are regular upgrades and maintenance and if the longterm investment justifies the expense.



Even the most well thought out budget must have room for unexpected repairs and maintenance on critical city assets.



BUDGET HIGHLIGHTS

\$1.3 Million
Harrisonburg City Schools
 • Increase in Transfer

\$1.1 Million
Shenandoah Valley Conference Center

\$896,000
Emergency Comms. Center
 • Increase in Contribution

\$946,000
Cost of Living Increases
 • 1.5% - July
 • 1.5% - January

\$366,500
Middle River Regional
 • Increase in Contributions

\$524,000
Virginia Retirement System
 • Increase in Contributions

\$70,000
Zoning and Subdivision Ordinance Rewrite

THE CITY'S FUNDS

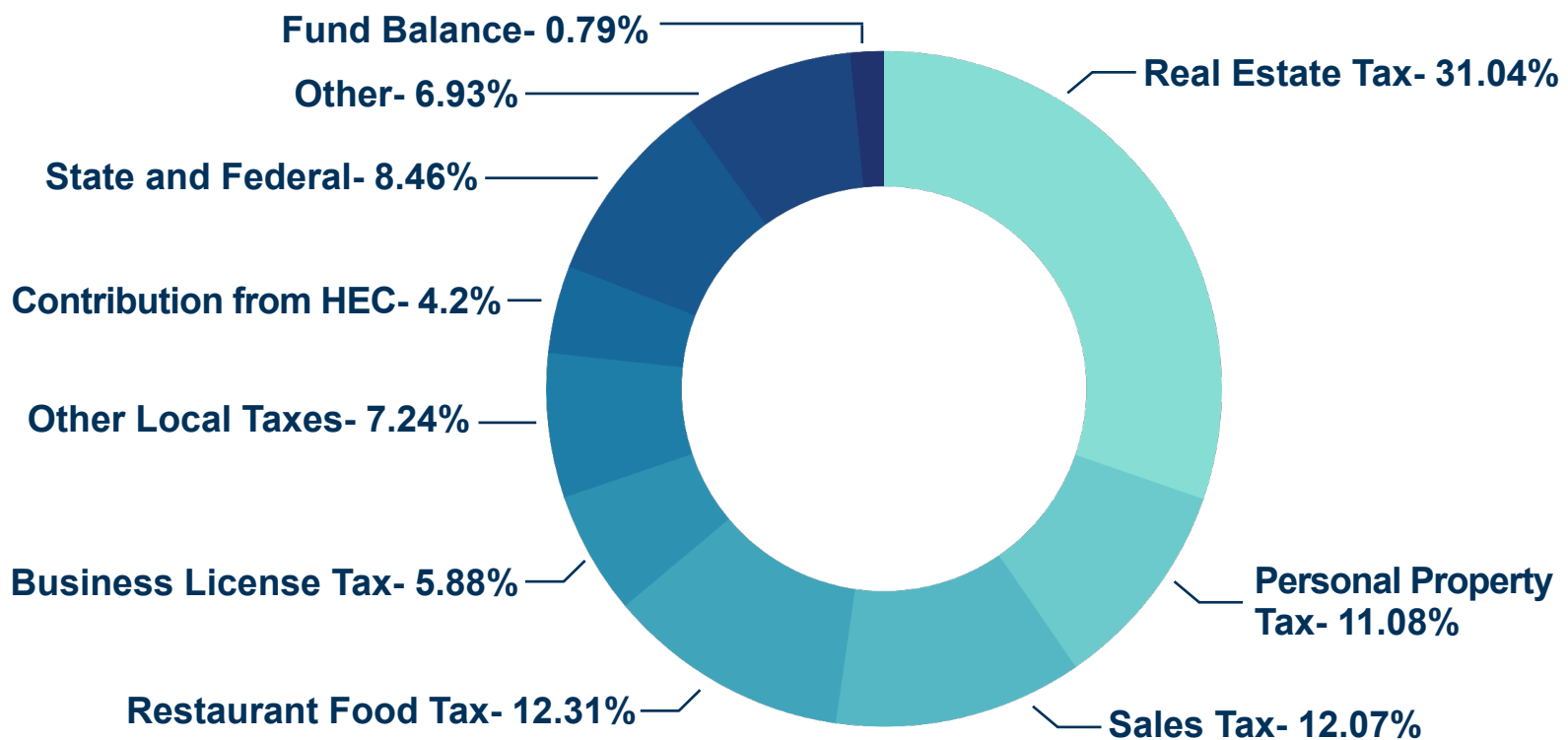
The accounts of the city are organized into funds. A fund is a group of related accounts used to control money marked for specific activities or objectives. By keeping revenue in its appropriate funds, the city is able to obey laws that require certain money to be spent on specific uses.

ALL FUNDS	FY21 PROPOSED BUDGET	INCREASE (DECREASE)	0 25 50 75 100 125 (Millions)
General	\$123,749,510	\$94,395	General
School	88,500,112	4,961,856	School
School Nutrition	4,543,180	116,677	Sewer
Emergency Comms. Center	7,898,488	1,659,706	Water
Community Develop. Block Grant	534,269	(42,304)	Public Transportation
School Transportation	4,710,463	497,058	Emergency Communication Center
General Capital Projects	700,000	(2,225,000)	Sanitation
Emergency Comm. Capital Projects	1,150,000	600,000	School Transportation
Water Capital Projects	2,314,253	(1,043,472)	School Nutrition
Sewer Capital Projects	2,093,094	906,246	Water Capital Projects
Sanitation Capital Projects	--	--	Sewer Capital Projects
Stormwater Capital Projects	1,125,918	458,418	Stormwater
Water	11,586,860	(724,240)	Central Garage
Sewer	15,044,242	917,542	Emergency Comm. Capital Projects
Public Transportation	8,327,410	2,589,910	Stormwater Capital Projects
Sanitation	5,178,085	728,710	General Capital Projects
Business Loan Program	50,000	(75,000)	Community Develop. Block Grants
Stormwater	1,873,420	461,120	Central Stores
Central Garage	1,673,498	87,078	Business Loan Program
Central Stores	193,960	15,154	Sanitation Capital Projects
Total All Funds	\$281,246,762	\$9,983,854	

GENERAL FUND REVENUES

The General Fund revenues are the different taxes, fees, and other sources of money that come in to the city. The largest source of funding for the General Fund is real estate tax, which makes up 31.04% of the fund's revenue. Other significant General Fund funding sources are sales tax and restaurant tax, which combined are 24.38% of revenue. The fund balance-- considered the city's "savings account"-- is sometimes used to pay for one time capital expenditures.

REVENUE SOURCE	FY21 PROPOSED BUDGET	INCREASE (DECREASE)
Real Estate Tax	\$38,406,200	\$968,700
Personal Property Tax	13,716,100	1,185,800
Sales Tax	14,936,400	223,000
Restaurant Food Tax	15,228,900	839,900
Business License Tax	7,279,500	--
Other Local Taxes	8,958,000	375,800
Contribution from HEC	5,200,000	--
State and Federal	10,471,733	(847,763)
Other	8,577,677	(1,697,442)
Fund Balance	975,000	(953,600)
Total General Funds	\$123,749,510	\$94,395



GENERAL FUND EXPENDITURES

The General Fund expenditures are the funds from which the departments expend money to provide quality services to residents on a daily basis. Of the city’s proposed budget, most of the big spending decisions occur within the General Fund. This fund is also where the city has the most discretion.



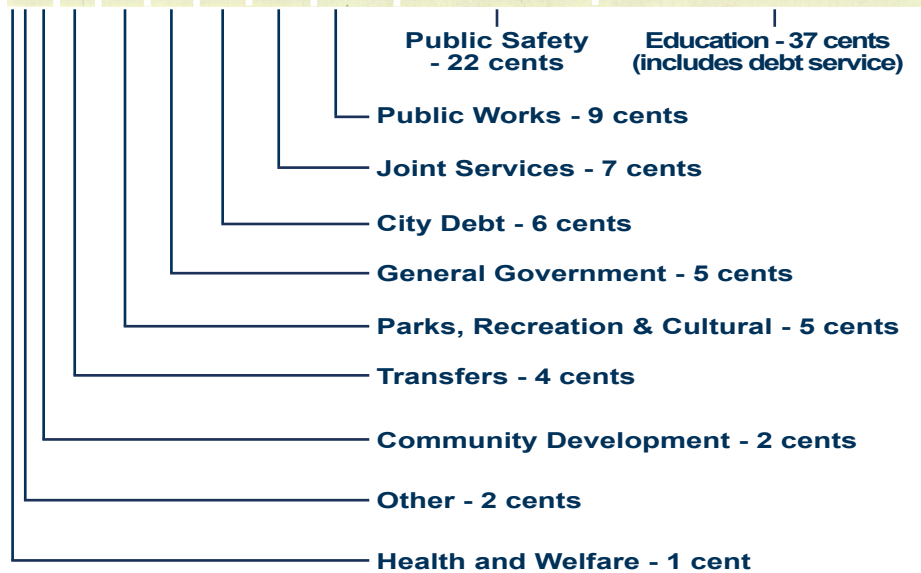
WHERE DO YOUR TAX DOLLARS AND FEE PAYMENTS GO?

The City's General Fund revenue is diversified. More than half of the City's revenue is generated by taxes such as real estate, sales, and restaurant food. User fees for services are another key source of funding, including charges for refuse collection and stormwater management. The dollar graphic below demonstrates how many cents of each dollar received by the City's General Fund is used to support the many services received by residents and businesses.

PROPOSED TAX AND FEE RATES

Real Estate Tax	86¢ per \$100 of assessed value
Personal Property Tax (vehicles)	\$3.50 per \$100 of assessed value
Personal Property Tax (other)	\$2.12 per \$100 of assessed value
Restaurant Food (meals) Tax	7%
Transient Occupancy (lodging) Tax	7%
Motor Vehicle License Tax	\$40 per passenger vehicle per year
CONSUMER UTILITY TAX (WATER, ELECTRIC, NATURAL GAS)	
Residential	\$2 per month maximum
Commercial/Industrial	\$20 per month maximum
Cigarette Tax	35¢ per pack
Admissions Tax	5%
Sanitation Fee	
Refuse Collection Fee	\$10 per month
Solid Waste Management Fee	\$15 per month
Stormwater Fee	\$6 per 500 square feet of impervious area

PUTTING THAT DOLLAR TO WORK



CAPITAL PROJECTS

Planning for capital equipment and improvements is a matter of prudent fiscal management. The City Council approved the 2019-2024 Capital Improvement Plan on March 12, 2019. The plan prioritizes capital improvement needs over the next five years. During each budget cycle the City reviews maintenance, replacement, and repair needs in the Capital Improvement Plan and selects projects to incorporate into the budget based on priority and availability of funds. The 2020-21 proposed budget includes \$7.4 million in capital project funding.

KIDS CASTLE



\$300,000

Following completion of the Purcell Park Master Plan, we now have recommendations based on resident and expert input on the playground's future.

EASTERN RAW WATER LINE



\$400,000

The entire project will consist of a river intake, two pump stations and some 90,000 linear feet of pipeline from the South Fork Shenandoah River.

MARTIN LUTHER KING, JR. BRIDGE



\$400,000

Needed repairs include replacing anchor bolts and concrete piers, and painting steel beams. This work will extend the life of the bridge for many years to come.

RESIDENTIAL SANITATION BINS



\$700,000 - Sanitation Fund
New City-branded sanitation bins will be provided to residents. This will support collection efforts and provide some beautification.

HDPT SCHOOL BUS CAMERAS



\$195,000

New cameras inside HDPT school buses will help ensure safety and security of students will providing enhanced monitoring.

NEW TRANSIT & PARATRANSIT VEHICLES



\$1.79 Million

Three new transit buses and four paratransit buses will be purchased for HDPT to support community transportation needs.

FINANCIAL REPORTING RECOGNITION



In 2020, the city was rated Aa2 from Moody's and AA from Standard & Poor's rating agencies. The ratings represent the strength of the city's credit and thus the safety of investing in city bonds. The city's top bond ratings reflect the sound financial management of the city and allow the city to borrow money from investors at low interest rates.



The Government Finance Officers Association of the United States and Canada awarded a certificate of achievement for excellence in financial reporting to the city for its Comprehensive Annual Financial Report (CAFR). The city has received this for the 24th consecutive year. This certificate is the highest form of recognition in the area of governmental

ANNUAL BUDGET CALENDAR - NOV. 2019 TO JULY 2020

<p>November</p> <p>Internal budget discussions begin</p>	<p>December</p> <p>Departments submit budget requests for review</p>	<p>January</p> <p>Outside agency requests are due and preliminary budget projections are made</p>	<p>February</p> <p>Meetings with directors take place and projections are updated</p>
<p>March</p> <p>City Manager finalizes proposed budget</p>	<p>April</p> <p>Draft budget is presented to City Council</p> <p>Budget public hearing</p>	<p>May</p> <p>Public hearing for real estate tax rate</p> <p>Second reading is held and the budget is adopted</p>	<p>July 1</p> <p>Newly adopted budget begins</p>

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