

CITY OF CHARLOTTESVILLE  
OPERATING & CAPITAL IMPROVEMENT

# BUDGET



PROPOSED | FISCAL YEAR 2024/2025



A PLACE WHERE EVERYONE THRIVES



## Budget Work Session

FY 2025  
Budget Development

March 7, 2024

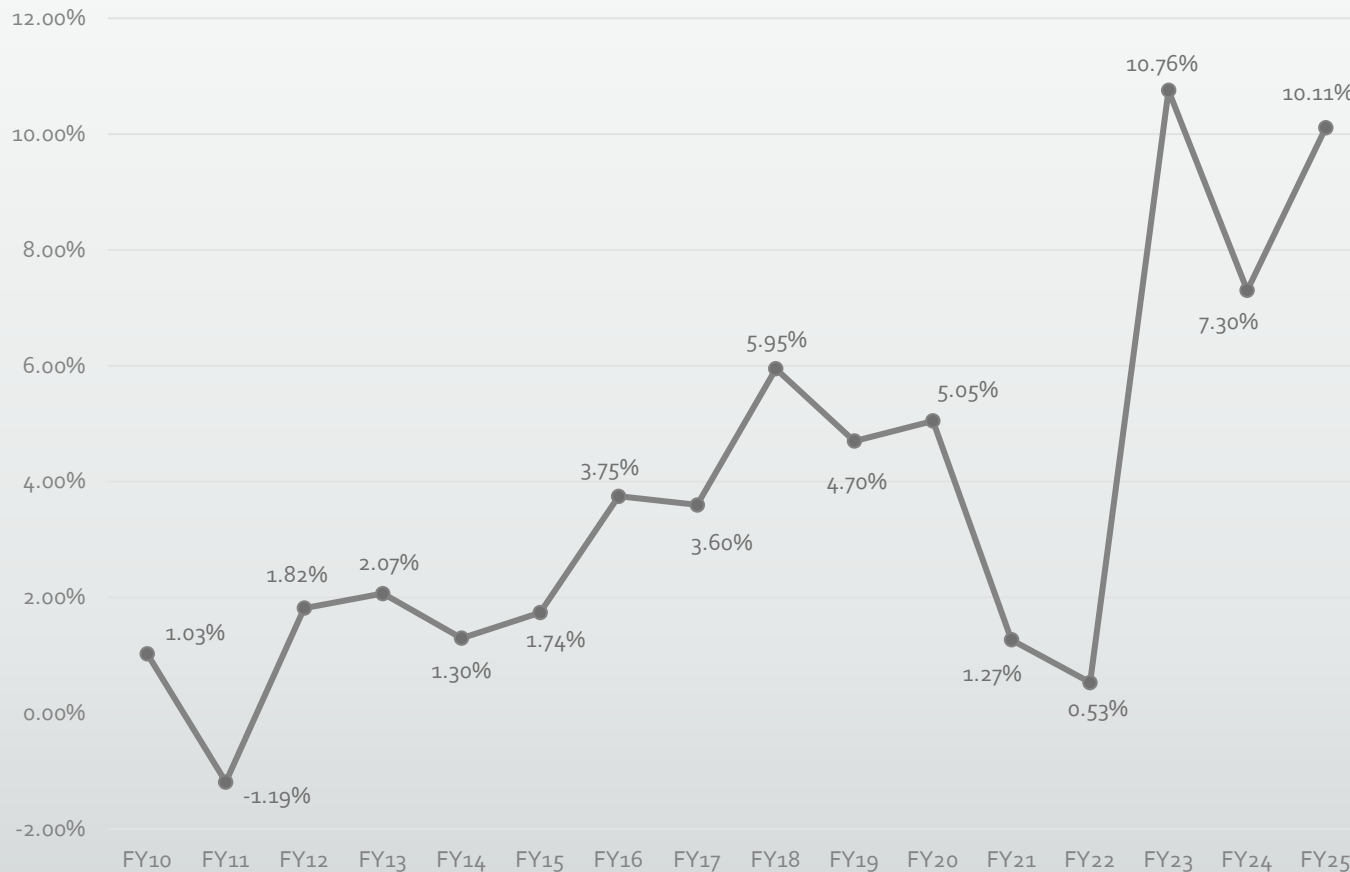


# Agenda

1. Revenue Changes – FY24 to FY25
2. Expenditure Changes – FY24 to FY25
3. ARP/Year-End Surplus



# General Fund Budget Annual Change



Fiscal Year	General Fund Total Budget	\$ change
FY10	142,443,480	1,450,959
FY11	140,751,728	(1,691,752)
FY12	143,306,538	2,554,810
FY13	146,269,910	2,963,372
FY14	148,167,862	1,897,952
FY15	150,742,327	2,574,465
FY16	156,391,435	5,649,108
FY17	162,017,737	5,626,302
FY18	171,657,127	9,639,390
FY19	179,725,535	8,068,408
FY20	188,800,371	9,074,836
FY21	191,195,873	2,395,502
FY22	192,212,843	1,016,970
FY23	212,889,291	20,676,448
FY24	228,433,247	15,543,956
FY25*	251,526,900	23,093,653

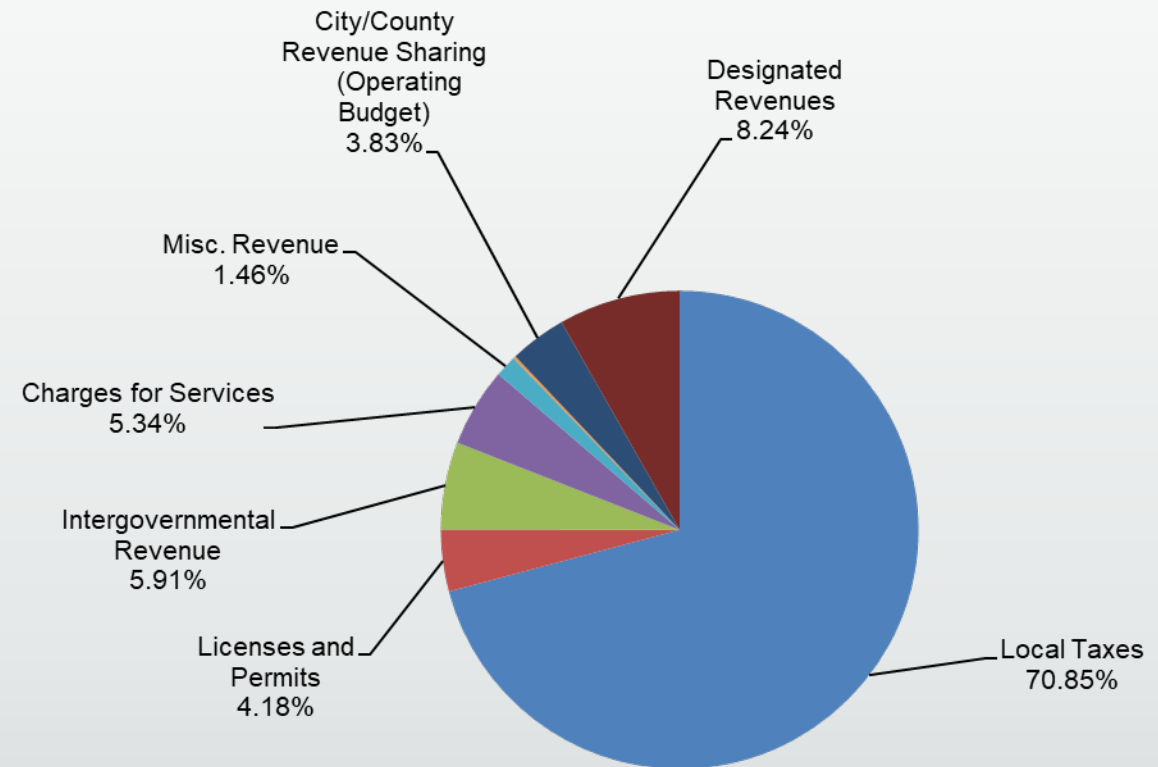
\*Proposed

**Average Annual Change \$ 6,988,956**



# General Fund Revenue Summary

	FY 2025 Budget
<b>General Fund Revenue</b>	
Local Taxes	\$178,204,202
Licenses and Permits	10,525,000
Intergovernmental Revenue	14,875,697
Charges for Services	13,441,821
Misc. Revenue	3,675,000
Transfers From Other Funds	450,000
City/County Revenue Sharing (Operating Budget)	9,640,199
Designated Revenues	20,714,982
<b>TOTAL GENERAL FUND BUDGET \$251,526,900</b>	





# Revenue Changes FY24 to FY25

	FY 2024	FY 2025		FY 2024
	Adopted Budget	Proposed	\$ Change	Revised*
<b>Local Taxes</b>				
Real Estate Tax <i>(includes \$0.02 rate Increase)</i>	\$ 99,403,417	\$ 108,438,706	\$ 9,035,289	\$ 102,348,188
Personal Property Tax	12,600,000	12,700,000	100,000	13,200,000
Penalty/Interest on Delinquent Taxes	700,000	850,000	150,000	850,000
Public Service Tax	1,630,567	1,746,954	116,387	1,746,954
Utility Taxes	4,600,000	4,700,000	100,000	4,600,000
Virginia Communications Sales and Use Tax	2,125,000	2,082,500	(42,500)	2,125,000
Tax on Bank Stock	1,157,411	1,157,411	-	1,157,411
Tax on Wills & Deeds	725,000	550,000	(175,000)	500,000
Sales & Use Tax	14,400,000	15,810,000	1,410,000	15,500,000
Rolling Stock Tax	18,040	18,040	-	18,040
Transient Occupancy Tax <i>(includes 1% rate increase)</i>	8,300,000	9,562,500	1,262,500	8,300,000
Meals Tax <i>(includes 1% rate increase)</i>	15,600,000	19,743,091	4,143,091	16,500,000
Short-Term Rental	75,000	60,000	(15,000)	60,000
Cigarette Tax	550,000	550,000	-	550,000
Vehicle Daily Rental Tax	170,000	135,000	(35,000)	135,000
Plastic Bag Tax	40,000	100,000	60,000	100,000
Total	\$ 162,094,435	\$ 178,204,202	\$ 16,109,767	



# Revenue Changes FY24 to FY25 *(continued)*

	FY 2024 Adopted Budget	FY 2025 Proposed	\$ Change	FY 2024 Revised*
<b><u>Licenses and Permits</u></b>				
Business & Professional Licenses	\$ 8,900,000	\$ 9,300,000	\$ 400,000	\$ 9,300,000
Building and Related Permits	949,000	1,005,000	56,000	949,000
Other Permits and Licenses	220,000	220,000	-	235,000
Total	\$ 10,069,000	\$ 10,525,000	\$ 456,000	
<b><u>Intergovernmental Revenue</u></b>				
PPTRA Revenue (State Personal Property Tax)	\$ 3,498,256	\$ 3,498,256	\$ -	\$ 3,498,256
State Highway Assistance	4,645,517	5,591,341	945,824	5,481,707
Reimbursement/Constitutional Offices	1,975,433	2,277,661	302,228	2,233,001
State Aid for Police Protection	2,460,982	2,640,188	179,206	2,588,420
Other Intergovernmental Revenue	1,096,016	917,504	(178,512)	1,023,352
City-County Revenue Sharing Agreement	15,715,740	17,760,728	2,044,988	15,715,740
Total	\$ 29,391,944	\$ 32,685,678	\$ 3,293,734	
<b><u>Charges for Service</u></b>				
Recreation Income	\$ 1,509,269	\$ 1,189,113	\$ (320,156)	\$ 1,055,789
EMS Billing Revenue	765,000	765,000	-	765,000
Payment in Lieu of Taxes	6,746,568	7,288,205	541,637	6,746,568
Reimbursable Overtime	229,100	290,200	61,100	229,100
Waste Disposal Fees	1,115,000	1,200,000	85,000	1,200,000
Other Charges for Services	2,546,728	2,659,302	112,574	2,491,728
Total	\$ 12,911,665	\$ 13,391,820	\$ 480,155	



# Revenue Changes FY24 to FY25 *(continued)*

	FY 2024 Adopted Budget	FY 2025 Proposed	\$ Change	FY 2024 Revised*
<b><u>Transfers from Other Funds</u></b>				
Transfer from Landfill Reserve Fund	\$ 500,000	\$ 450,000	\$ (50,000)	\$ 500,000
Total	\$ 500,000	\$ 450,000	\$ (50,000)	
<b><u>Miscellaneous Revenues</u></b>				
Interest Income	\$ 1,050,000	\$ 3,000,000	\$ 1,950,000	\$ 3,600,000
Rent	225,000	225,000	-	225,000
Other Miscellaneous Revenue	526,254	450,747	(75,507)	475,000
Total	\$ 1,801,254	\$ 3,675,747	\$ 1,874,493	
<b><u>Designated Revenues</u></b>				
Meals Tax Designated for the Debt Service Fund	\$ 2,836,363	\$ 3,037,399	\$ 201,036	\$ 300,000
School Contracted Services	8,750,586	9,479,054	728,468	8,750,586
Total	\$ 11,586,949	\$ 12,516,453	\$ 929,504	
<b>Total Change</b>			<b>\$ 23,093,653</b>	New Revenue for FY 25
<b>% Change</b>			<b>10.11%</b>	



## Value of \$0.01

What Does Incremental Increase Generate Based on FY 25 Estimated Revenue			
Tax Rate	Revenue Type	Rate Increase	Revenue Increase
\$0.96/\$100	Real Estate Tax	\$0.01	\$1,106,520
6.5%	Meals Tax	1.0%	\$3,054,545
\$4.20/\$100	Property Tax	\$0.01	\$30,238
8.0%	Lodging Tax	1.0%	\$1,062,500





**FY2025 Operating Expenditure Changes**  
*(Operating Budget FY2024 to Operating Budget FY2025)*

<b>City Schools</b>	<b>\$ Change</b>
City Contribution to Schools	7,000,000
<b>City Department Service Enhancements and Efficiencies</b>	
Rent and Tax Relief	73,000
Voter Registration -Temporary Staffing, Equipment, Postage - Presidential Election year	75,500
Parks and Recreation Contracted Services - Mulching and Custodial Services	64,040
Public Works - Building Maintenance Contracted Services - Custodial	40,687
<b><i>New Positions for FY 25 (funded in FY 24 using one-time federal funding)</i></b>	
SAFER Firefighters (2/3 of full cost 15 fire fighters (before collective bargaining impact)	851,037
<b><i>New Positions for FY 25 (funded with new FY 25 revenues)</i></b>	
Assistant City Attorney	122,935
Legal Assistant	78,455
2 FTEs - Firefighter/EMT (ANCHOR Team Members)	211,575
2 FTEs - Police Officers (ANCHOR Team Members)	338,712
<b><i>Reclassifications</i></b>	
1 FTE - Management Analyst III transferred from Golf Course	140,834



## **FY2025 Operating Expenditure Changes**

*(Operating Budget FY2024 to Operating Budget FY2025)*

### **Compensation & Benefits**

Employee Comp Study Implementation FY 24	(850,721)
Employee Compensation Adjustments FY 25	6,277,500
Vacancy Savings Budgeted for FY 25	(2,000,000)
Collective Bargaining Impact Contract - Police Department	815,439
Collective Bargaining Impact Contract - Fire Department	1,588,652
Pay Scale Implementation for Sheriff's Office	244,692
City Contribution for Healthcare	1,014,553
Retirement (same %, higher payroll)	361,531



# Collective Bargaining

Collective Bargaining Cost Increases by CB Unit			
Contract	Base	w/Contracts	Total Cost
Fire	13,017,856	14,606,508	1,588,652
Police	15,221,823	16,037,262	815,439
ATU	10,119,427	10,782,919	663,492
Transit	8,017,278	8,590,369	573,091
Pupil	2,102,149	2,192,550	90,401
Totals	38,359,106	41,426,689	3,067,583



**FY2025 Operating Expenditure Changes**  
*(Operating Budget FY2024 to Operating Budget FY2025)*

**Contributions to Outside Agencies & Non-Profits (Major Changes)**

Albemarle-Charlottesville Regional Jail	151,430
Blue Ridge Regional Detention Center	15,583
Emergency Communications Center	443,807
Blue Ridge Health District	27,212
Jefferson Madison Regional Library	92,708
Jaunt	(40,142)
Charlottesville - Albemarle Convention and Visitor's Bureau	167,977
SPCA	10,549
Public Defender's Office	13,753
Virginia Cooperative Extension	7,383
JABA	16,757
Small Business Development Center	8,785
TJPDC	1,231
Central VA Partnership for Economic Development	100
Virginia Career Works - Piedmont Region	40
Vibrant Community Fund (without Fundamental Agencies)	992,608

***Fundamental Agencies (Previously part of Vibrant Community Fund)***

Offender Aid and Restoration (OAR)	61,041
Free Clinic	42,596
Shelter for Help and Emergency (SHE)	114,431
Foothills	53,506
Child Health Partnership	11,220
PHAR	28,000



**FY2025 Operating Expenditure Changes**  
*(Operating Budget FY2024 to Operating Budget FY2025)*

**Interagency Transfers**

Transfer to Debt Service	309,092
Transfer to Charlottesville Area Transit (CAT)	1,275,887
<i>3 FTEs added - Customer Service Representatives - Downtown Transit Station (\$185,787)</i>	
<i>1 FTE added - Procurement Buyer (\$121,472)</i>	
<i>1 FTE added - Transit Planner (\$124,593)</i>	
<i>Collective Bargaining Contract Impact (\$573,091)</i>	
<i>Other Operational Increases and offset for loss of federal one-time funding (\$270,944)</i>	
Transfer to Human Services Fund	569,130
<i>ANCHOR Team Administration (\$170,500)</i>	
<i>Pathways Administration previously offset by federal one-time funding (\$299,916)</i>	
<i>Other Operational Increases (\$281,714)</i>	
Transfer to Social Service Fund (operational increases)	392,388
Transfer to CSA Fund	(154,722)



**FY2025 Operating Expenditure Changes**  
*(Operating Budget FY2024 to Operating Budget FY2025)*

**Other Changes**

Other Decreases and Increases (Net)	(114,768)
Employee Education and Training	169,090
Information Technology - Computer and Infrastructure Replacement	(274,841)
Vehicle Repairs/Maintenance/Fuel	88,933
Vehicle Replacement Funds	(148,950)
Contractual Increases - Refuse Collection Services	686,215
Utilities	215,689
Cybersecurity Software Lic/Maintenance	136,000

**Net Operating Expenditure Changes** **\$21,818,138**

**FY2025 Designated Expenditure Changes**  
*(Designated Budget FY2024 to Designated Budget FY2025)*

	<b>\$ Change</b>
Transfer to Capital Improvement Program Fund	256,138
Transfer to Services with City Schools - Building Maintenance	93,700
Transfer to Services with City Schools - Pupil Transportation	634,768
Transfer to Debt Service Fund (Meals Tax Portion)	290,910

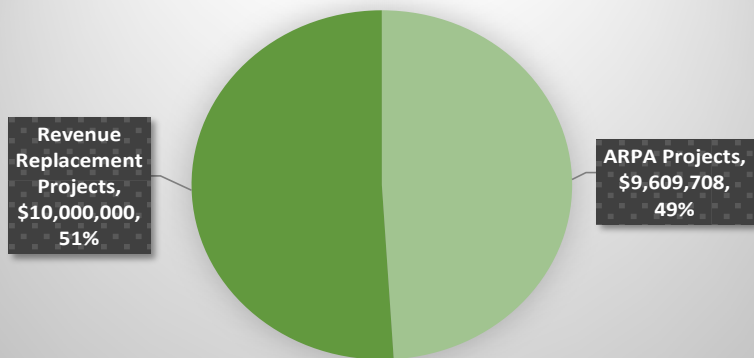
**Net Designated Expenditure Changes** **1,275,516**

**Total General Fund Expenditure Changes** **\$23,093,654**

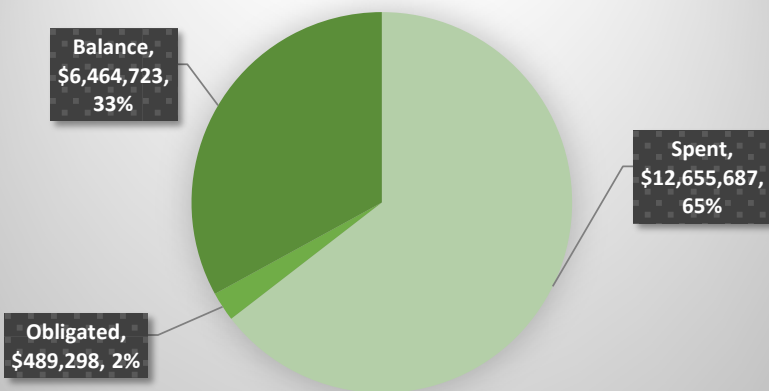


# ARP Funds Update

ARP Funds Allocation



ARP Funds Status



- City received a total of \$19.6M in two equal tranches (June 2021 and June 2022)
- City Council allocated funds into two main categories: Revenue Replacement and ARPA Projects
- All ARP funds have been appropriated:
  - \$18.0M for 64 projects
  - \$1.6M unallocated
- To date
  - \$12.7M has been spent
  - \$489K obligated to be spent
  - \$6.5M balance to be spent



# ARP Funds Update (continued)

<i>Project Status</i>	<i>Allocated</i>	<i>Spent</i>	<i>Obligated</i>	<i>Balance</i>
Completed Projects	\$9,736,643	\$9,141,406	\$0	\$595,237
Projects Underway	\$5,761,682	\$2,052,899	\$489,298	\$3,219,485
Projects with Questions	\$2,466,672	\$1,461,381	\$0	\$1,005,291
Unallocated	\$1,644,711	\$0	\$0	\$1,644,711
<b>TOTAL</b>	<b>\$19,609,708</b>	<b>\$12,655,687</b>	<b>\$489,298</b>	<b>\$6,464,723</b>

\$2,239,948

available to be allocated for other uses

## DECEMBER 31, 2024 DEADLINE

All ARP funds must be “obligated” or returned to UST. “Obligated” means “an order placed for a property and services and entry into contracts, subawards, and similar transactions that require payment.”

City Manager has tasked Director of Finance to ascertain obligation status of the projects with a balance in order to formulate recommendation for City Council’s consideration before 12/31/24 deadline.





# FY23 Year End Surplus Appropriation

## GENERAL FUND SURPLUS

**\$21,739,731**

### Staff Recommended Uses:

a. Unfunded 2% Retiree COLA granted in FY24	\$2,600,000
b. Finance/IT - SAP (financial management system) upgrade	\$1,500,000
c. Citywide Reserve	\$500,000
d. City refuse contract - contractual CPI increase	\$400,000
e. Parks and Recreation - Riverview Park restrooms	\$300,000
f. Maintenance fund for City leased properties	\$200,000
g. City Attorney's Office capacity	\$92,500
h. Police Department - sign on bonuses for new officers	\$68,000
i. Parks and Recreation - staff reorganization	\$50,000
j. City Attorney's Office - office improvements	\$47,000
k. Police Department - upfit of new substation in Transit Station	\$47,000
l. CAT - radios	\$49,300
m. Fire Department - vehicle for new Battalion Chief	\$45,000
n. Police Department - Guardian Score pilot program	\$20,000

## SUBTOTAL STAFF RECOMMENDED USES

**\$5,918,800**

## BALANCE TO BE TRANSFERRED TO CIP CONTINGENCY PER POLICY

**\$15,820,931**



# Important Budget Dates

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18*	19	20	21*	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

**Work Sessions**

**Public Hearings\***

**Budget Adoption**

APRIL						
S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## Work Sessions

March 7  
March 14  
March 28  
April 4

## Public Hearings\*

March 18 (Tax Rates)  
March 21 (Community Budget Forum)

## Budget Adoption

April 9



# Questions and Discussion

[www.Charlottesville.gov/budget](http://www.Charlottesville.gov/budget)