

City Manager's Proposed FY 2022
Operating and Capital Improvement Budget

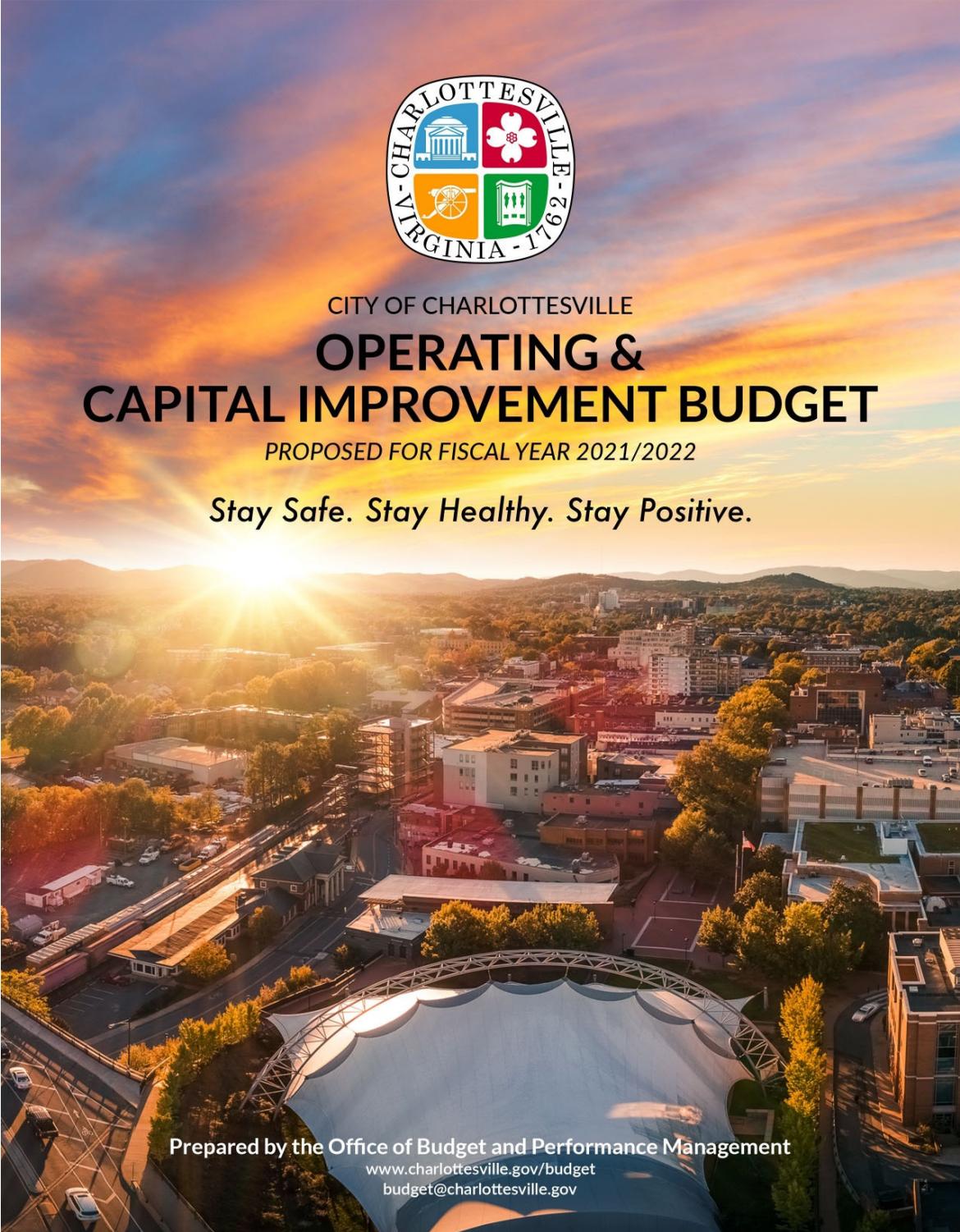
March 1, 2021

CITY MANAGER'S PROPOSED BUDGET FY 2021-2022



CITY OF CHARLOTTESVILLE
**OPERATING &
CAPITAL IMPROVEMENT BUDGET**
PROPOSED FOR FISCAL YEAR 2021/2022

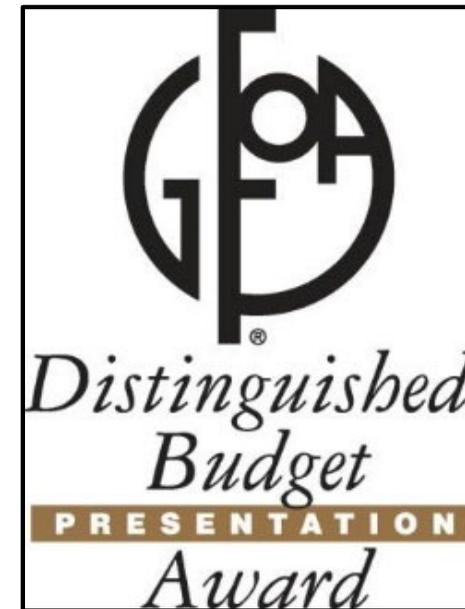
Stay Safe. Stay Healthy. Stay Positive.



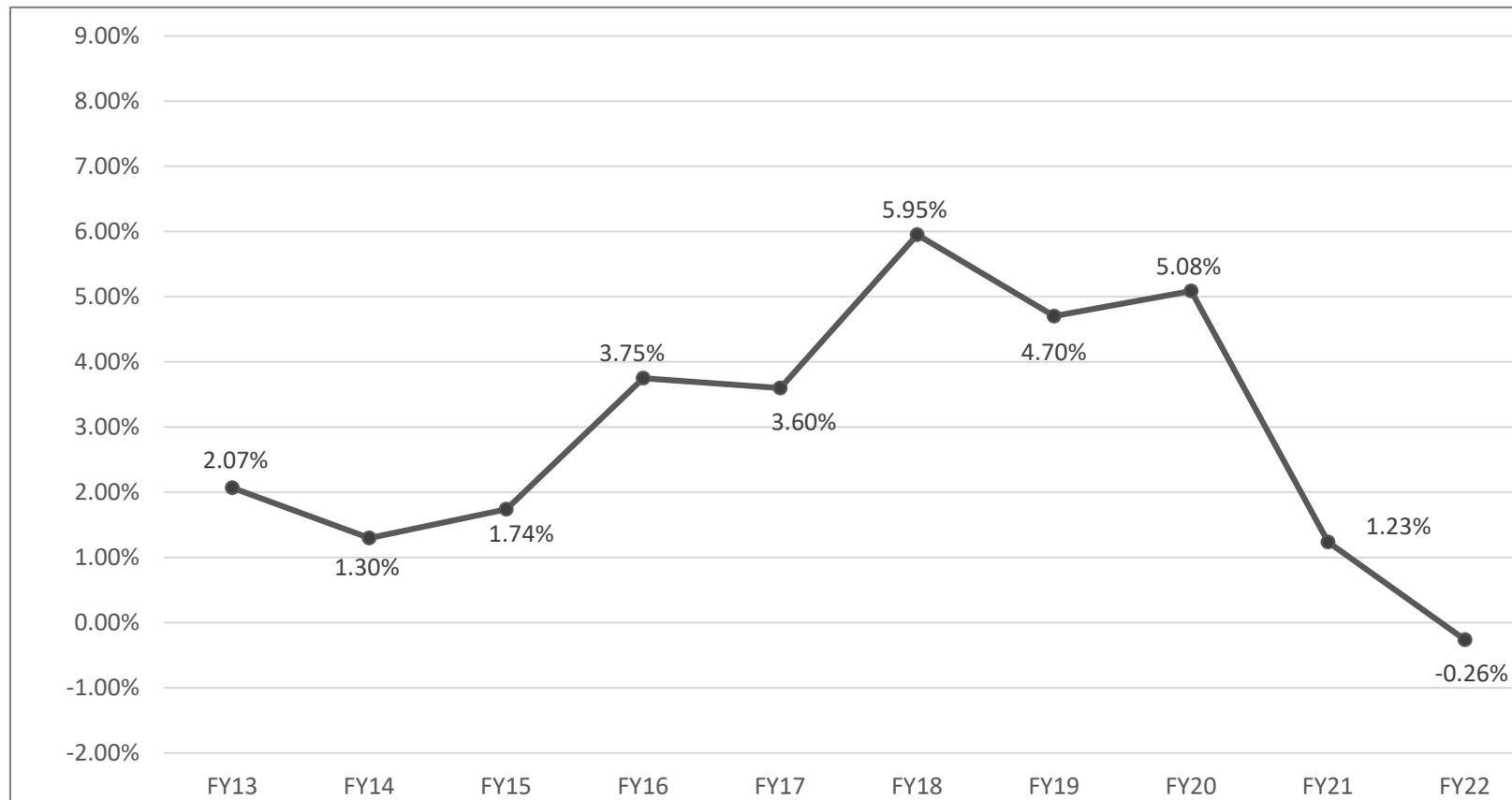
Prepared by the Office of Budget and Performance Management
www.charlottesville.gov/budget
budget@charlottesville.gov

GFOA Distinguished Budget Presentation Award

- Government Finance Officers Association (GFOA) has awarded the City of Charlottesville Distinguished Budget Presentation Award for its Fiscal Year 2021 budget.
- 28th time that Charlottesville has won this award, and the 19th consecutive budget award.
- Reflects the commitment of Council and staff to meeting the highest principles of governmental budgeting.
- In FY 2021, the City scored Proficient and Outstanding in all of the categories. This is the fourth year this has been accomplished!



Percent Change General Fund Budget



FY 2022
Proposed
Budget:
\$ 190,689,839



Economic Indicators

- More than 37,000 jobs within our 10 mile boundary
- Unemployment spiked to 10.7% in April but had returned to 4.0% by year end
- Retail vacancy rates have risen to 7.6% citywide and 5.3% downtown
- 2020 was a strong year for commercial investment with \$73 million in commercial permits recorded
- Currently over 400,000 square feet of Class A office space under construction downtown



Major Budget Themes

Affordable Housing

Preserving and
Enhancing Quality
Services

Investment in Our
Employees

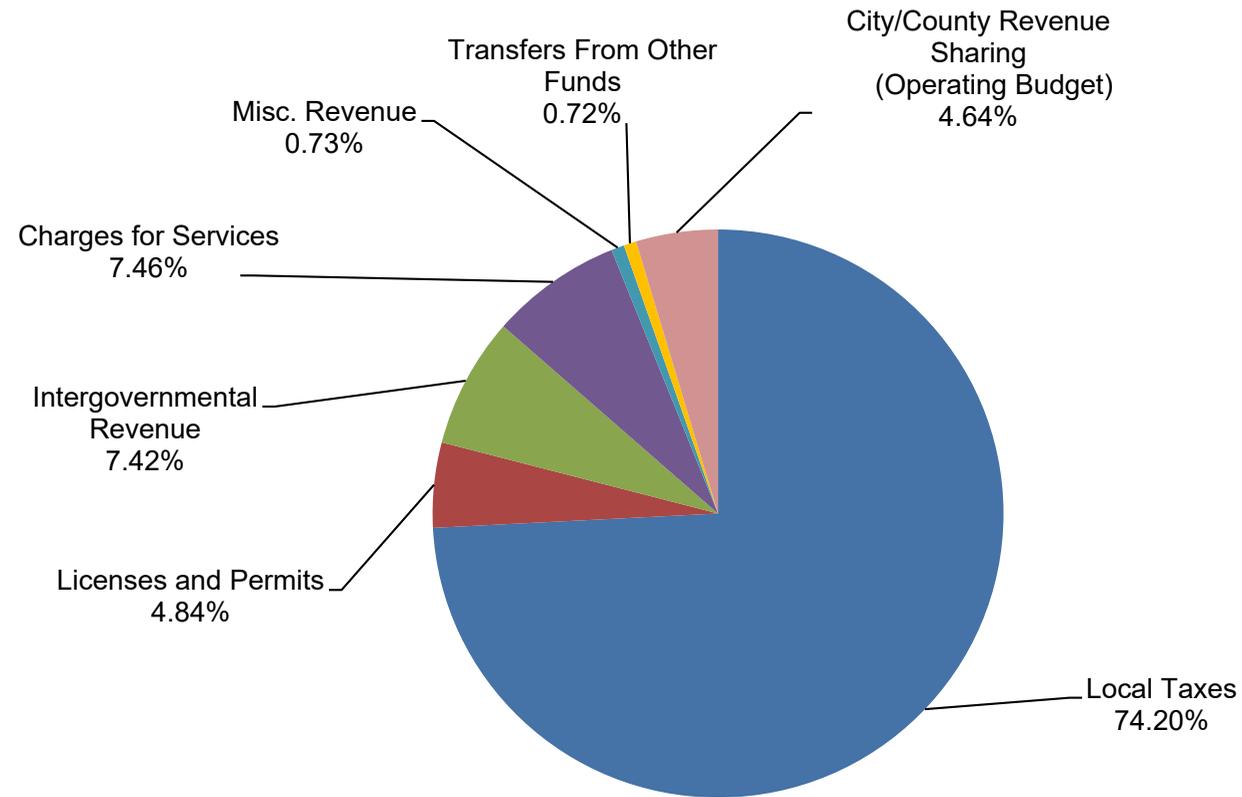
Strong Support for City
Schools

Maintain Organizational
Efficiencies and
Effectiveness

Strategic Plan and
Council Priorities

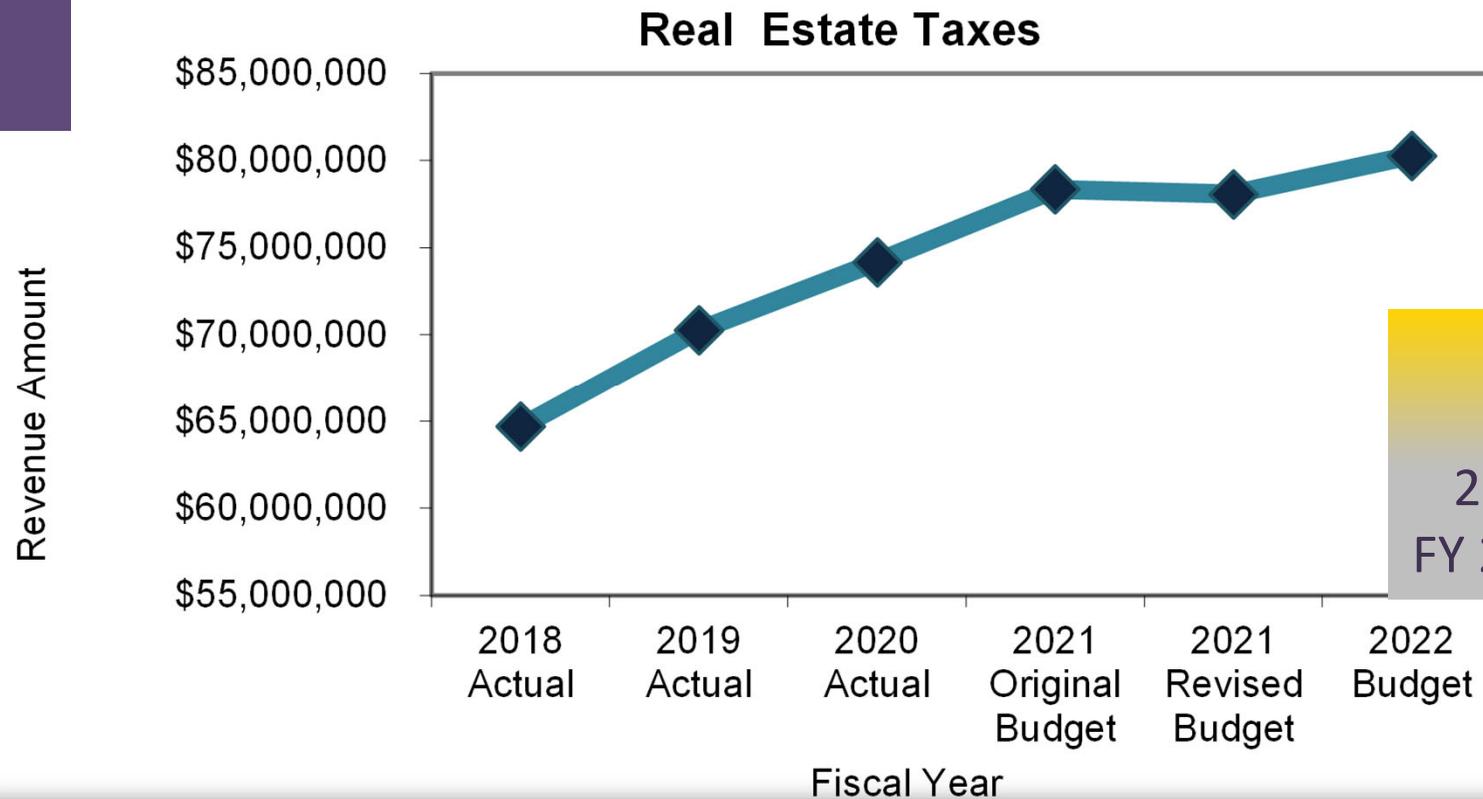


FY 2022 General Fund Revenues



FY 2022 Revenue Projections – Real Estate

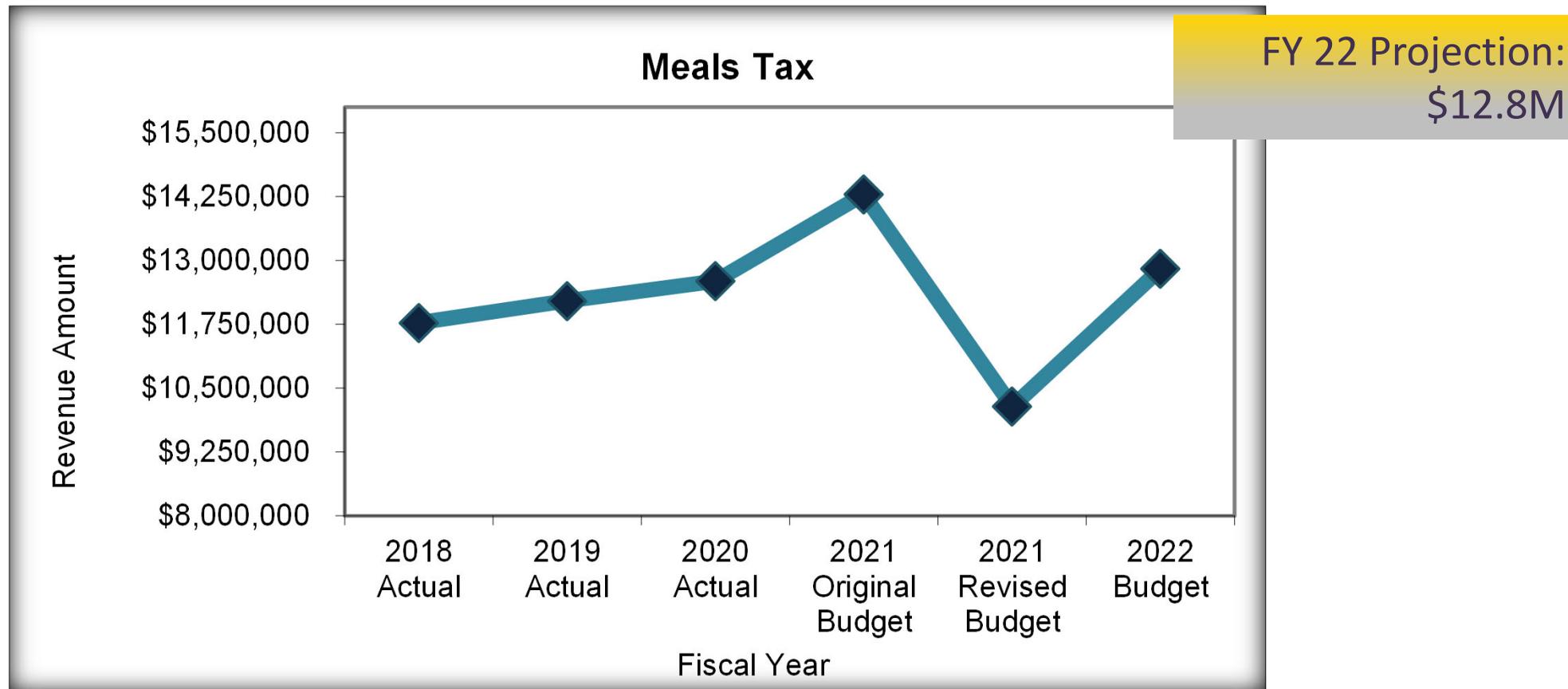
Rate remains at
\$.95/\$100 AV



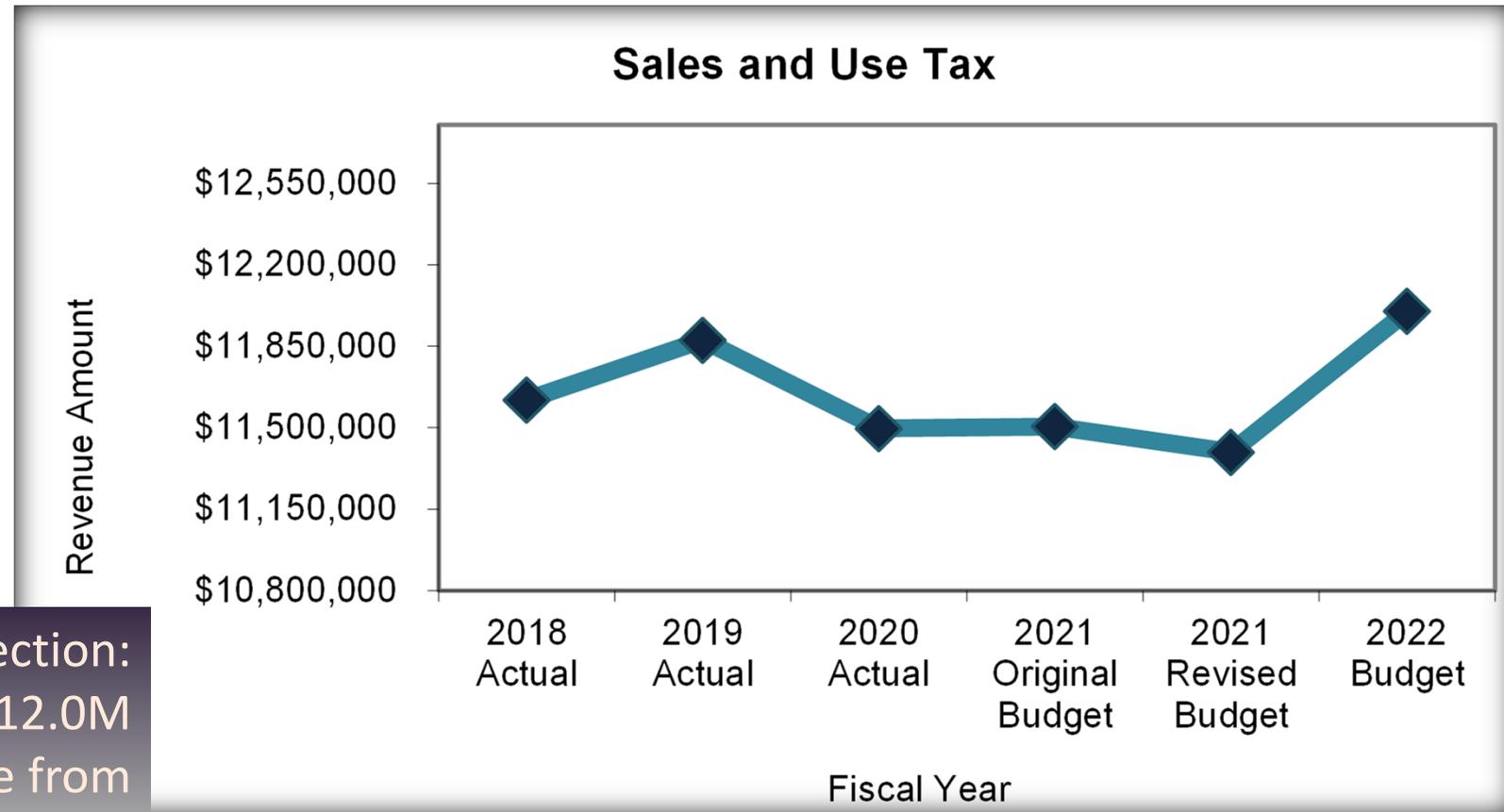
FY 22 Projection:
\$80.2M
2.46% increase from
FY 21 Adopted Budget



FY 2022 Revenue Projections- Meals



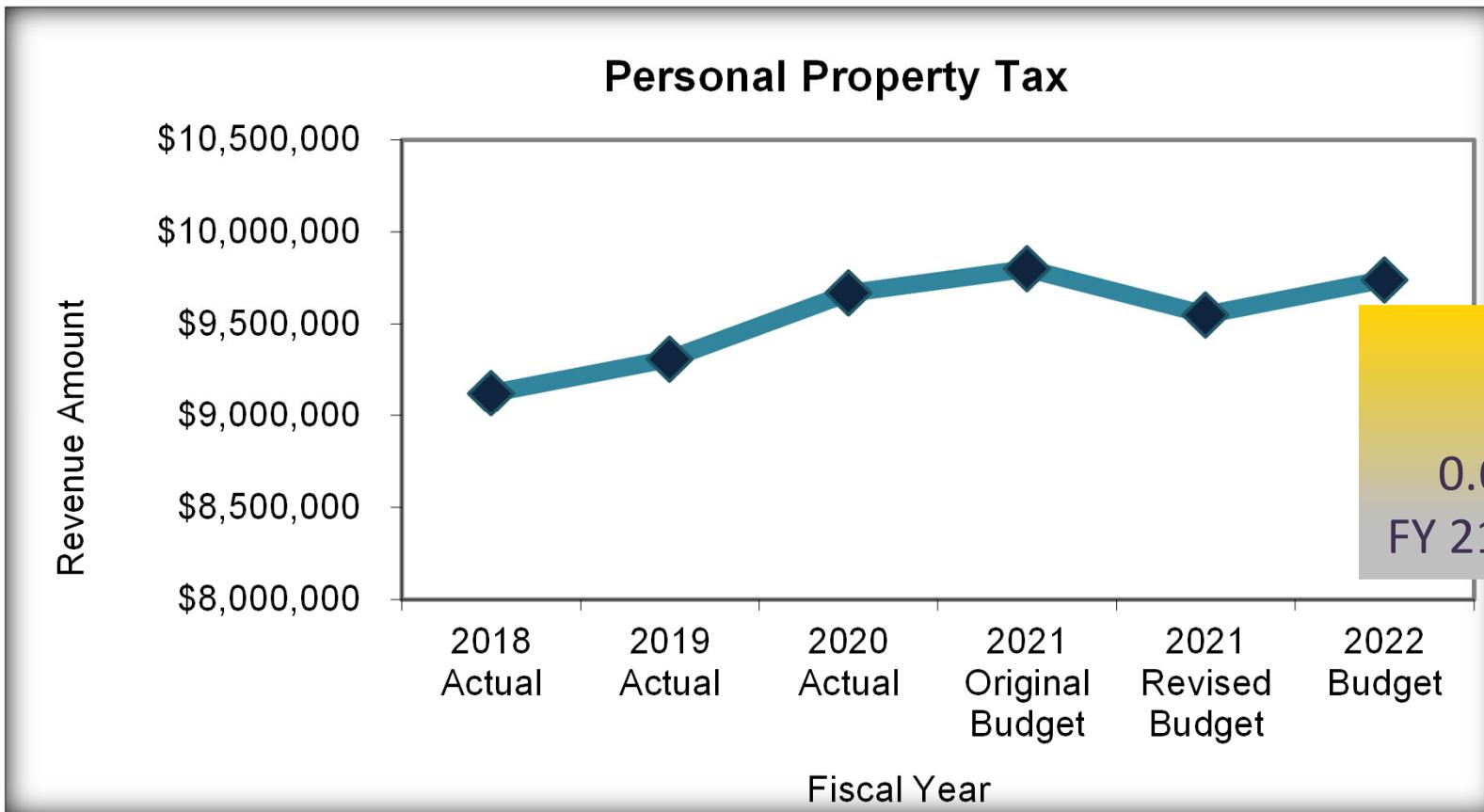
FY 2022 Revenue Projections – Sales and Use



FY 22 Projection:
\$12.0M
 4.31% increase from
 FY21 Adopted Budget



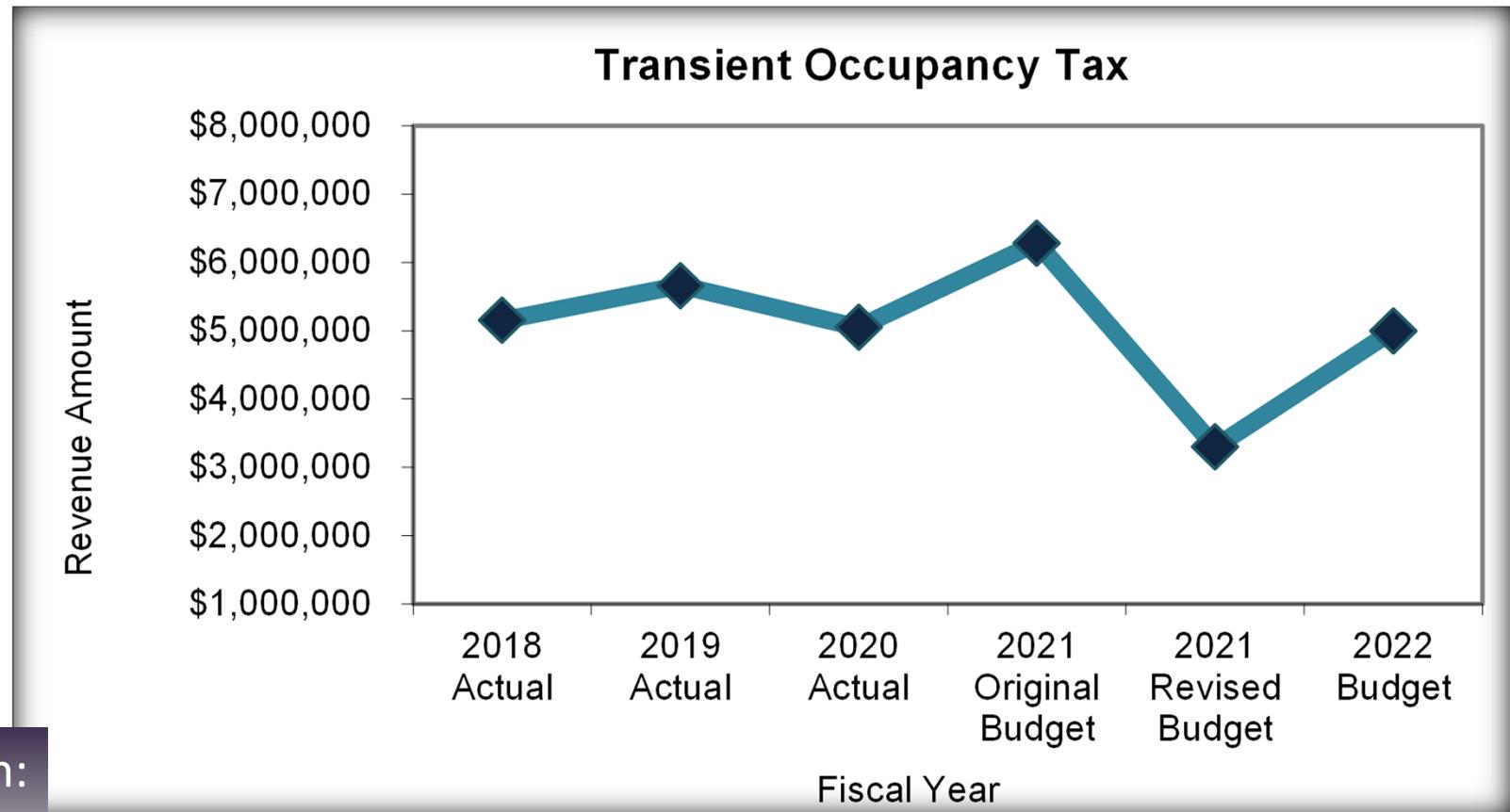
FY 2022 Revenue Projections – Personal Property



FY 22 Projection:
\$9.7M
0.6% decrease from
FY 21 Adopted Budget



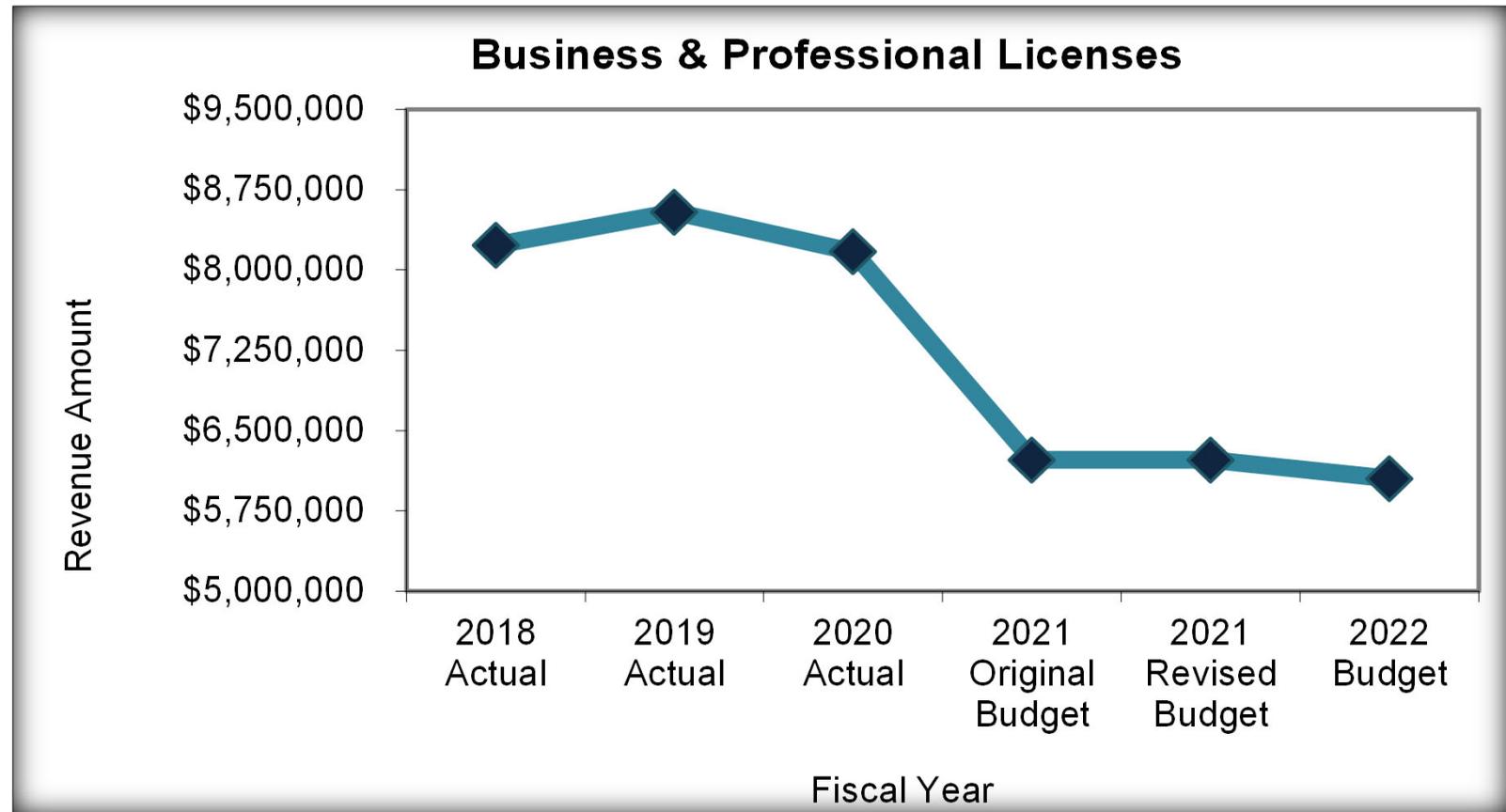
FY 2022 Revenue Projections – Transient Occupancy (Lodging) Tax



**FY 22 Projection:
\$5.0M**



FY 2022 Revenue Projections – Business and Professional Licenses (BPOL)

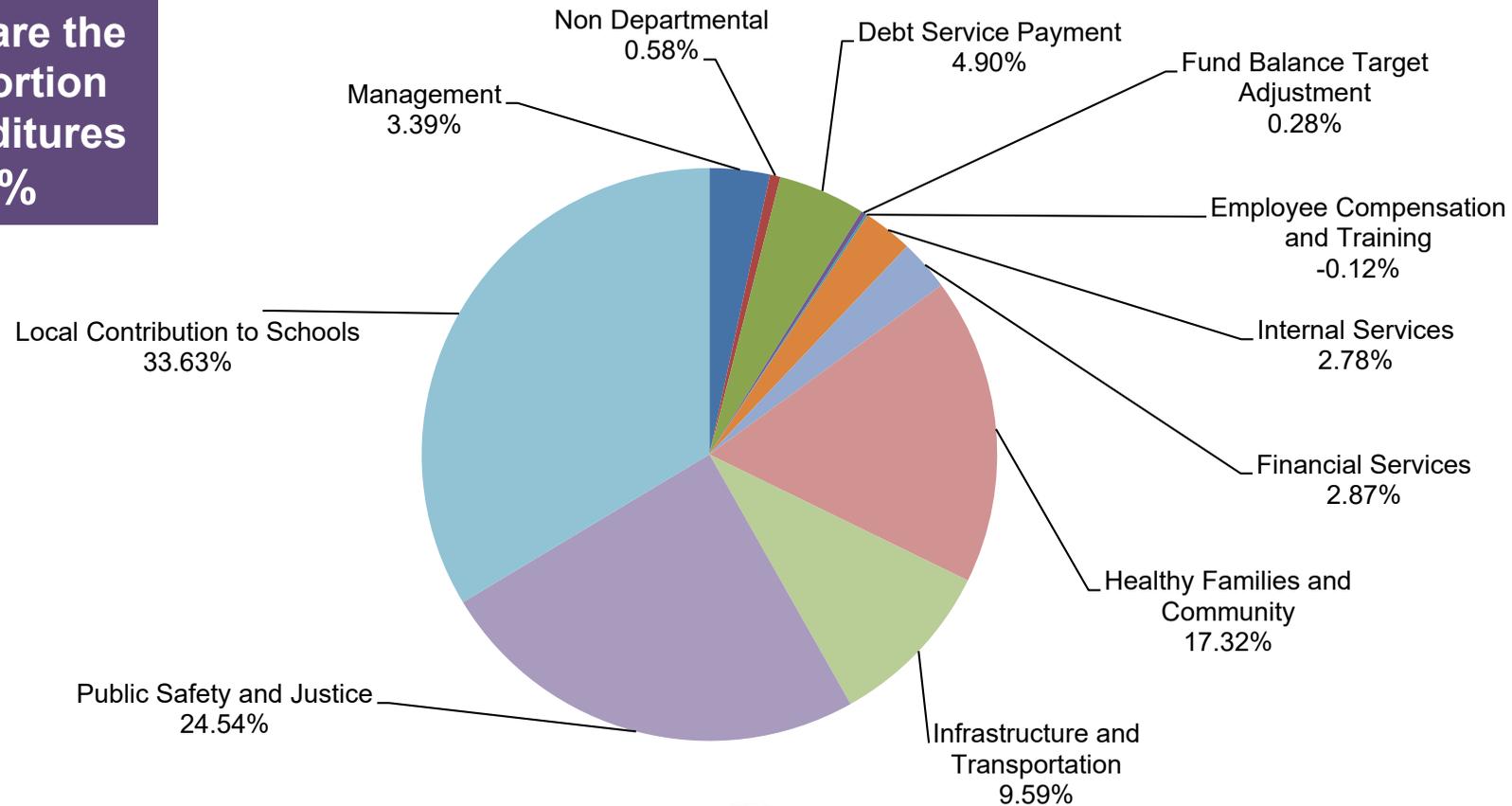


FY 22 Projection:
\$6.05M



FY 2022 General Fund Expenditures

Schools are the largest portion of expenditures @ 33.63%



Strategic Plan Alignment with Budget

City Strategic Goals Key:



Goal 1: An Inclusive Community of Self-sufficient Residents



Goal 2: A Healthy and Safe City



Goal 3: A Beautiful and Sustainable Natural and Built Environment



Goal 4: A Strong, Creative and Diversified Economy



Goal 5: A Well-managed and Responsive Organization

The FY 2022 Proposed Budget illustrates the alignment between the allocation of resources and the strategic plan goals and objectives. Throughout the presentation, icons indicate alignment between strategic plan goals and departments/programs.





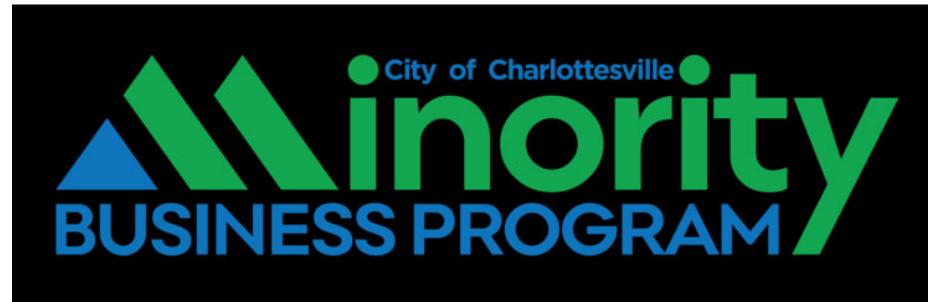
Council Priority: Affordable Housing

- **Significant investment in the capital budget – \$6.5 million in FY 22 and \$38.5 million over the five-year CIP**
 - \$1.5 million for **public housing redevelopment**
 - \$925,000 for the Charlottesville Affordable Housing Fund (**CAHF**) to provide assistance with homeownership, home rehabilitation, energy conservation, down payment assistance and other affordable housing initiatives
 - \$900,000 **supplemental rental assistance**
 - \$1.1 million for **Friendship Court Redevelopment**





Council Priority: Racial Equity



- New funding for the Deputy City Manager for Race, Equity, Diversity and Inclusion = **\$225,000**
- Continues funding of the Home to Hope Program (\$335,000) and the Food Equity Initiative (\$155,000) = **\$490,000**
- Continues to support the activities of the City's Minority Business Program and the Office of Human Rights

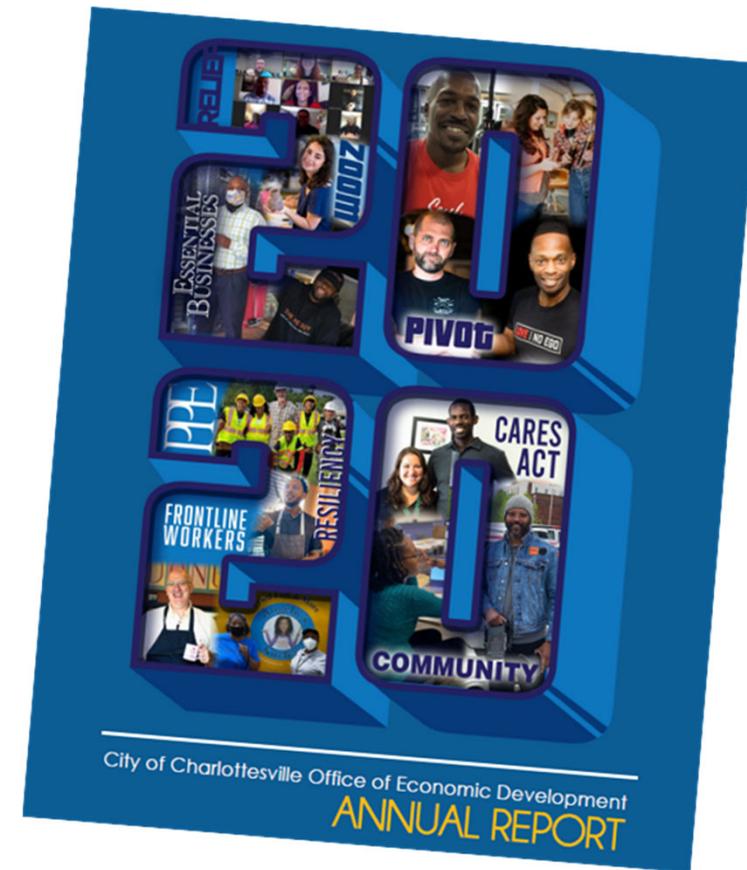




Council Priority: Workforce Development & Economic Development



The FY 2022 Proposed Budget continues to invest in the various programs that support both of these priorities, including the Downtown Job Center, Growing Opportunities (GO) workforce development programs, and work done by staff to encourage entrepreneurship, maintain healthy businesses and assist with pandemic recovery





Council Priority: Safety and Security

- **Police Civilian Review Board = \$350,000**

Civilian Review Board (CRB) will be fully funded with an additional \$200,000 in FY 22. This budget will fund the Executive Director position and other projected necessary costs.

- **Fire SAFER Grant - \$3,498,300**

15 additional firefighters FTEs – grant covers 100% of the base salary and benefits for the new firefighter positions for the first three years. In March 2024, the City will fully assume the salaries and benefits of the new FTEs.





Investing in Our Employees

- **Living wage** will remain at \$15.00 an hour
- **Premium Holiday** – equivalent to 1 month's premium amount
- Redesigned employee **Gyms Subsidy Program**
- **Under Consideration**
 - monthly premium reductions for dependent coverage
 - Employee COLA





Compensation As Presented

FY 2021 Budget Presented on March 16, 2020 – Pre-COVID

- included a 2% COLA increase - \$1,041,485
- Departmental budgets reflected 4.17% increase approved in FY20

Department Sample

Funding Summary	FY 2020 Budget	FY 2021 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$344,954	\$359,952	\$14,998	4.3%
Other Expenditures	<u>255,912</u>	<u>271,150</u>	<u>15,238</u>	<u>6.0%</u>

Explanation of FY 21 Changes

Salaries and Benefits

- Increase due to a 4.17% cost of living adjustments budgeted in FY 20 for the General Fund, and 2% cost of living adjustment budgeted in FY 21 for Non General Funds. The FY 21 cost of living adjustments for the General Fund are budgeted separately in Employee Compensation and Training (pg. E-8).





Compensation As Presented

FY 2021 Budget Adopted on May 18, 2020

- No COLA increase included
- Departmental budgets level with FY 20 amounts

Department Sample

Funding Summary	FY 2020 Budget	FY 2021 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$964,917	\$964,917	\$0	0.0%
Other Expenditures	<u>251,006</u>	<u>251,006</u>	<u>0</u>	<u>0.0%</u>
General Fund Total	\$1,215,923	\$1,215,923	\$0	0.0%

Employee Compensation and Training

Funding Summary	FY 2020 Budget	FY 2021 Budget	Increase/ (Decrease)	% Change
Compensation and Benefits				
(4.17% salary increase July 1, 2019)	\$2,123,527	\$2,123,527	\$0	0.0%
(4.83% Police mid-year Police increase)	518,410	518,410	\$0	0.0%

Explanation of FY 21 Changes

Salaries and Benefits

- To mitigate the financial impact of the COVID pandemic, no increases were budgeted for employee salaries and benefits.

COLA Salary Increase

FY 21 Budget - \$2,641,937

Due to the COVID pandemic, no cost of living adjustment was included for employees for FY 21. The amount represented here is the cost of the COLA granted in FY 20 (4.83% Police mid-year FY 20 and 4.17% salary increase on July 1, 2019). The funds are budgeted as a lump sum and will be distributed to departments during the year as needed.





Compensation As Presented

FY 2022 Proposed Budget

- No COLA Increases Included
- Departmental budgets reflected 4.17% increase approved in FY20

Department Sample

Funding Summary	FY 2021 Budget	FY 2022 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,070,391	\$1,115,336	\$44,945	4.2%
Other Expenditures	<u>84,868</u>	<u>85,267</u>	<u>399</u>	<u>0.5%</u>
General Fund Total	\$1,155,259	\$1,200,603	\$45,344	3.9%

Explanation of FY 22 Changes

Salaries and Benefits

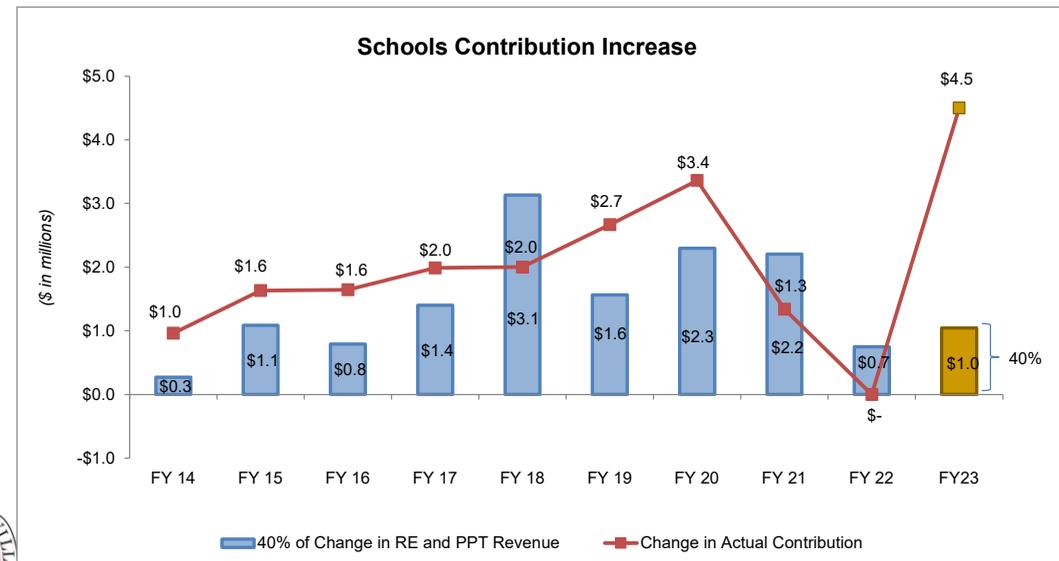
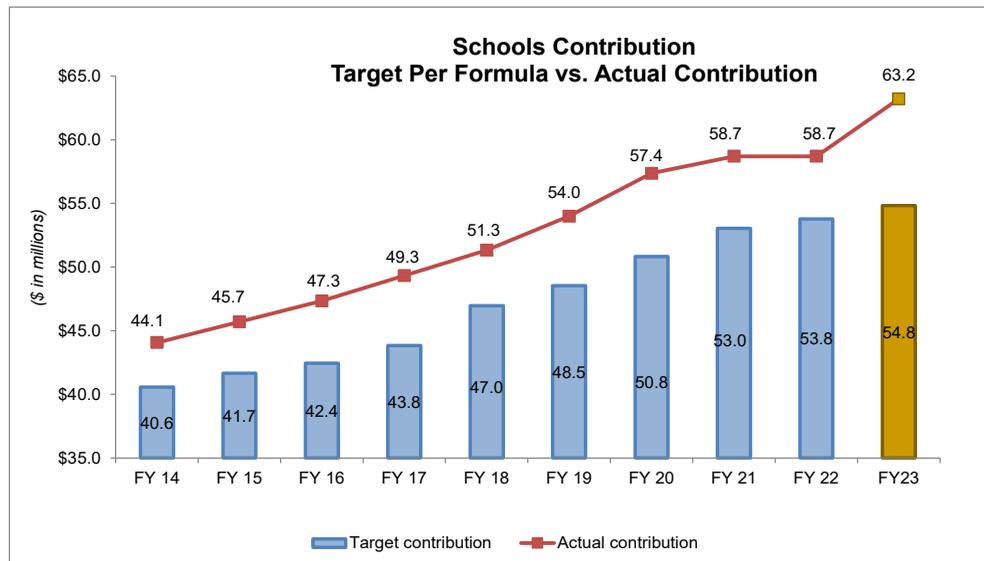
- No salary increases were given in FY 21 and none are included for FY 22. A 4.17% salary increase was given in FY 20 and the total funding for the increase was shown in the FY 21 budget as a lump sum under the Employee Compensation and Training section of the budget. For FY 22, the funding has been allocated to reflect the actual salaries for each department.





Investments in City Schools

- The FY22 Proposed Budget continues the City's strong commitment to the City Schools operating and capital budgets.
- At the School's request providing level funding of school operations, a **total contribution of \$58.7 million**.
- School's will be using one-time CARES Act funding to cover ongoing operating budget increases for FY22, and are projecting a \$4.5M increase in the City's FY23 contribution will be necessary.





Investments in City Schools

- Through the City's Capital Improvement Program, **\$3.5 million in FY 2022** programmed for the following:
 - \$1.25 million a year in an unallocated fund that the schools can use for priority capital improvement initiatives of their choice
 - Over \$2.1 million for general capital improvement dollars and HVAC replacement funds
 - \$200,000 for the small capital program



In addition, the FY 2022 -2026 5 Year CIP Plan includes \$50 million in FY 2025 as a place-holder for funding the schools reconfiguration project



Capital Improvement Program Highlights

\$27.9 million in FY 2022



- Affordable Housing = \$6.5 million total

- \$925k CAHF
- \$900k Supplemental Rental Assistance



- \$1.5 million CRHA
- \$3.1 million Friendship Court Redevelopment

- Schools Capital Improvements = \$3.5 million



- West Main Street Improvements Project = \$0

- Parking Structure = \$1 million

- Belmont Bridge - \$2.5 million



- General District Court = \$6.1 million



Other Department Additions, Service Enhancements & Efficiencies



- **Charlottesville Area Transit**

- Addition of 24.5 FTEs using CARES Act Funding. The new positions include 10 Full Time and 10 Part Time operators, 4 mechanics, 1 parts manager and 2 maintenance workers. Once the grant funding expires the cost of the new positions will be funded by local dollars. Filling the new positions will be contingent upon further discussions and subsequent approval with our regional transportation partner, Albemarle County.



Outside and Nonprofit Agencies

- **Vibrant Community Fund**

- Adopted 6 broad funding priority areas: Education and Youth; Jobs and Wages; Community and Public Safety; Affordable Housing; Equity; and Health.
- Resulted in numerous shifts in both the number of agencies and programs to be funded, as well as the amounts of funding for those agencies recommended for funding through the Vibrant Community Fund
- Overall pool of funds allocated in FY 22 was \$2.25M, which is level funded from what was allocated in FY 21.



Outside and Nonprofit Agencies

- **Contractual Agency Changes:**
 - JAUNT – decrease of \$28,687
 - Albemarle/Charlottesville Regional Jail – decrease of \$151,376
 - Blue Ridge Juvenile Detention Center – increase of \$5,002
 - Emergency Communications Center – increase of 196,735
 - Charlottesville-Albemarle Health Department – increase of \$22,104
 - Charlottesville-Albemarle SPCA – decrease of \$1,599



What's not in the FY 2022 Budget?

- Tax Rate Increases
- Increase for Employee Compensation - 2% COLA would be \approx \$1,040,000
- Departmental New Requests \approx \$4.9M
- Economic Reserve Funding
- Increase in General Fund Contribution to Debt Service
- Unfunded CIP Projects \approx \$123.3M



Budget Calendar

March 4: Work Session, 4pm – 6pm, Zoom Webinar, Revenues and Expenditures

- Public invited. Opportunity for Council discussion with staff. Public comment at end.

March 11: Work Session, 6pm – 8pm, Zoom Webinar, Outside and Non Profit Agencies

- Public invited. Opportunity for Council discussion with staff. Public comment at end.

March 15: Public Hearings, 6:30pm, Zoom Webinar – Tax Rates and Proposed Budget

- Smaller presentation with opportunity for public feedback and Council discussion

March 17: Community Budget Forum, 6pm, Zoom Webinar

- Opportunity for public to speak one on one with City Council and staff after short presentation by the Interim City Manager.



Budget Calendar

March 25: Work Session, 6pm – 8pm, Zoom Webinar, Capital Improvement Program

- Public invited. Opportunity for Council discussion with staff. Public comment at end.

April 5: Second Public Hearing on Budget/First Reading, 6:30pm, Zoom Webinar

- Smaller presentation with opportunity for Public feedback and Council discussion

TENTATIVE - April 8: Work Session, 6pm – 8pm, Zoom Webinar, Remaining budget issues and wrap up

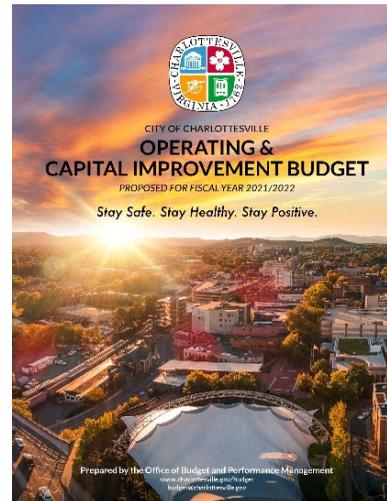
- Public invited. Opportunity for Council discussion with staff. Public comment at end.

April 13: Budget Approval by City Council, 5:30pm, Zoom Webinar



Budget Information

www.charlottesville.gov/budget



Copies of FY 2022 Proposed Budget
City Manager's Office, City Hall, 8:00-5:00 PM M-F
Central and Gordon Ave. Library Branches

