



**CITY COUNCIL AGENDA
March 4, 2021**

Members

Nikuyah Walker, Mayor
Sena Magill, Vice Mayor
Heather D. Hill
Michael K. Payne
J. Lloyd Snook, III

**4:00 p.m. Budget Work Session (Budget Documents available at
<https://www.charlottesville.gov/169/Budget>)**

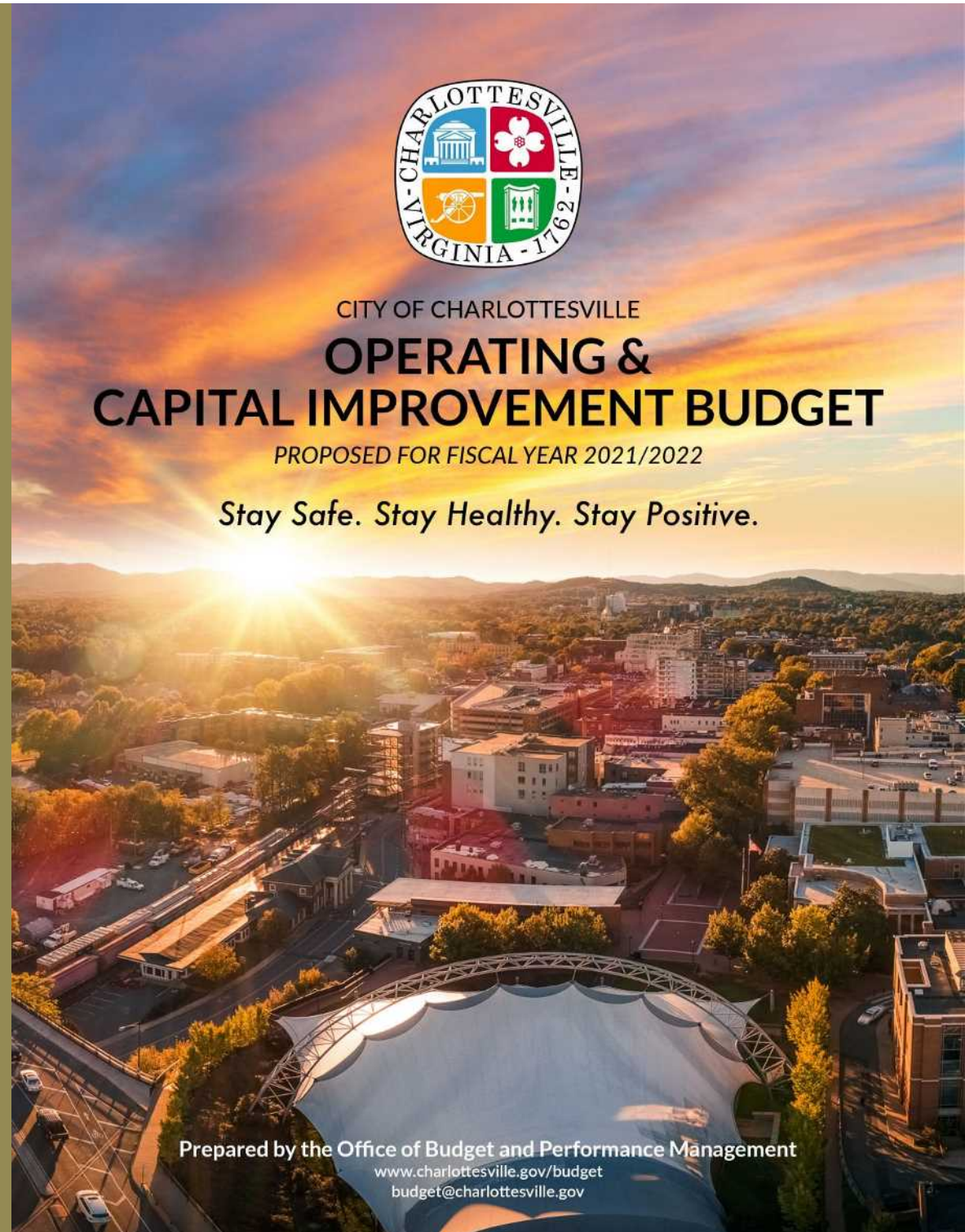
Register at www.charlottesville.gov/zoom. Virtual/electronic meeting in accordance with the local ordinance amended and re-enacted February 16, 2021, to ensure continuity of government and prevent the spread of disease. NOTE: Individuals with disabilities who require assistance or special arrangements to participate in the public meeting may call the ADA Coordinator at (434) 970-3182 or submit a request via email to ada@charlottesville.gov. The City of Charlottesville requests that you provide a 48 hour notice so that proper arrangements may be made.



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

March 4, 2021

BUDGET WORK SESSION #1
OVERVIEW/REVENUES/EXPENDITURES

Agenda

1. General Fund Revenues
2. General Fund Expenditure
3. Wrap Up and Staff Follow Up
4. Public Comment



Revenue Drivers

Taxes

<u>FY 2022 Operating Revenue Changes</u> <i>(Adopted Budget FY 2021 to Proposed Budget FY 2022)</i>	
Local Taxes	
Real Estate Tax	\$1,924,172
Transient Occupancy (Lodging) Tax	(1,282,721)
Sales and Use Tax	495,669
Personal Property Tax (Local Portion)	(59,000)
Meals Tax	(1,142,493)
Utility Services Consumer Tax	(524,112)
Other Local Taxes	(106,502)
Public Service Corporation Tax	83,541
Cigarette Tax	(25,000)
Virginia Communications Sales and Use Tax	(200,000)

More information on the City's FY 2022 Proposed revenues can be found in the City Manager's Proposed FY 2022 Operating Budget on pages: B-1; B-5 to B-12; and C-1 to C-2

Revenue Drivers

<u>FY 2022 Operating Revenue Changes</u>	
<i>(Adopted Budget FY 2021 to Proposed Budget FY 2022)</i>	
Licenses and Permits	
Business, Professional, Occupational License Fee	(\$175,000)
Building and Other Permits	414,500
Vehicle Licenses	(10,000)
Dog Licenses	(4,000)
Intergovernmental Revenue	
State Highway Assistance	(\$27,670)
State Aid for Police Protection	160,884
Reimbursement for Constitutional Officers	62,549
School Resource Officers	(301,231)
Misc. Intergovernmental Revenue	39,918
Charges for Services	
Emergency Medical Services (Ambulance) Revenue Recovery	(\$300,000)
PILOT: Utilities Funds	46,191
Other Charges for Services	24,000
Internal City Services (Fees from Non General Funds)	(27,846)
Parks and Recreation Revenue	330,035
Court Revenue	(100,000)



Revenue Drivers

<u>FY 2022 Operating Revenue Changes</u> <i>(Adopted Budget FY 2021 to Proposed Budget FY 2022)</i>	
Misc. Revenue	
Interest Earned	(\$126,000)
Rent	(19,956)
Other Miscellaneous Revenue	(150,000)
Transfers from Other Funds	
Risk Management Fund	\$250,000
Health Care Fund	250,000
Landfill Reserve Fund	(250,000)
Enterprise Parking Fund	(450,000)
City/County Revenue Sharing	
Operating Budget Portion	(\$5,213,320)
Net Operating Revenue Changes	(\$6,413,392)

Revenue Drivers

<u>FY 2022 Designated Revenue Changes</u>	
<i>(Adopted Budget FY 2021 to Proposed Budget FY 2022)</i>	
City/County Revenue Sharing: Transfer to Capital Improvement Program	\$6,235,841
Transfer to Capital Improvement Program - Mall Vendor Fees	(15,750)
Contracted Services with City Schools (Building Maintenance and Pupil Transportation)	199,838
Meals Tax Revenue: Transfer to Debt Service	(312,571)
Transfer to Facilities Repair Fund	(200,000)
Net Designated Revenue Changes	5,907,358
Total General Fund Revenue Changes	(\$506,034)

Proposed FY 2022 Operating Budget

FY 2022 Proposed General Fund Budget	
Revenues	\$190,689,839
<u>Expenditures</u>	<u>\$190,689,839</u>
Budget GAP	\$0



Investments in Council Budget Priorities

- **Affordable Housing**
 - Tax and Rent Relief Programs (CHAP and RE Tax Relief) = \$1,840,000
- **Racial Equity**
 - Fully fund additional Deputy City Manager for Race, Equity, Diversity, and Inclusion; Home to Hope; and Food Equity Initiative; Office of Human Rights; City's Minority Business Program activities.
- **Safety and Security**
 - Police Civilian Review Board; Fire SAFER Grant funded positions
- **Workforces & Economic Development**
 - Downtown Job Center; GO workforce development programs
- **Investment in Employees**
 - Living Wage remain at \$15.00 per hour; Health Care Premium Holiday; Redesigned Gyms Subsidy Program

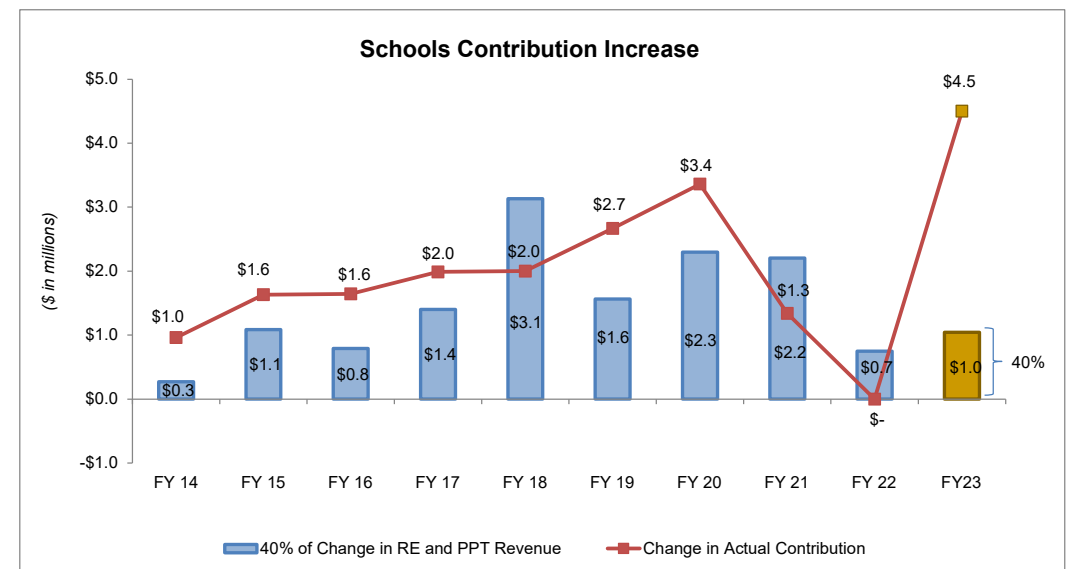
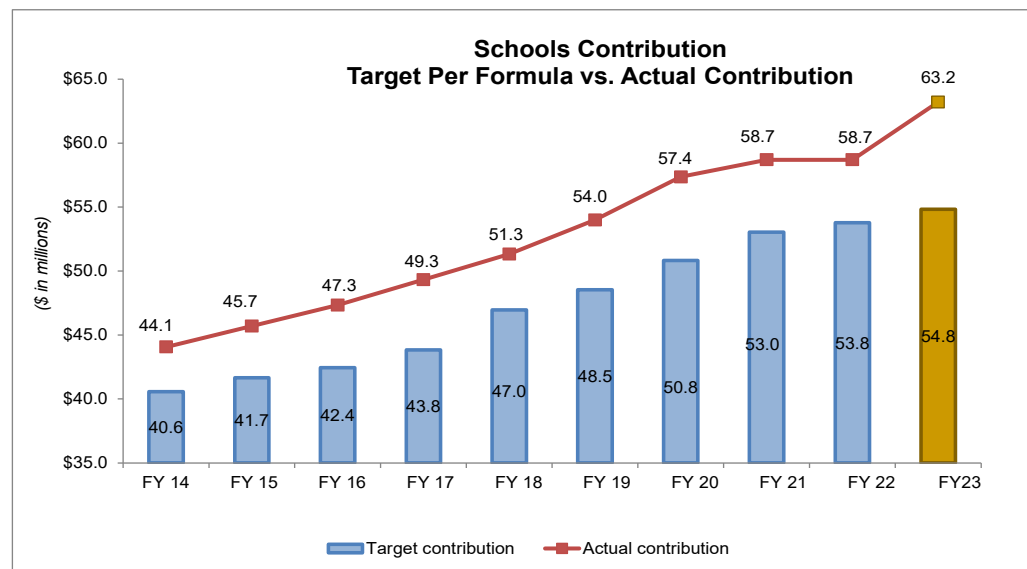
What's Not in the FY 2022 Expenditure Budget

At this point any addition from the below items would result in a decrease from somewhere else in the proposed budget.

- 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
- Other City Council Initiative and Additions

Funding for City Schools

- 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.
- Increase in School's budget is largely driven by the addition of 14.5 FTE's and a raise for teachers and staff of on average 5%



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Funding Options for City Schools

Option 1 - Adopt the School's Proposal as submitted for FY22 and FY23

- City Contribution level funded for FY 22
- Increase of \$4.5M is added to City Contribution and becomes the new base projected for FY 23
- Similar scenario to Gifted Teacher Program - FY 20 Budget to FY 21 Budget

Option 2 - Reduce the FY 22 School Contribution and use the savings to fund items removed to balance City Budget

- 2% COLA for City Employees - \$1.04 million
- Add funding for unfunded City positions - \$640k
- Add funding for Facilities Repair - \$200k
- Add funding for Equipment Replacement - \$400k

Option 3 - Adopt the School's Proposal as submitted for FY22 only

- No assumed increase to the base budget for FY 23. Begin FY 23 with \$58,709,623 as the base.
- FY 22 School Operational increases using one-time CARES funding would have to be reconsidered as part of FY 23 budget process.

Wrap-up and Staff Follow-up

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Budget Calendar

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.

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

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

Budget Calendar

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

- Smaller presentation with opportunity for Public feedback and Council discussion

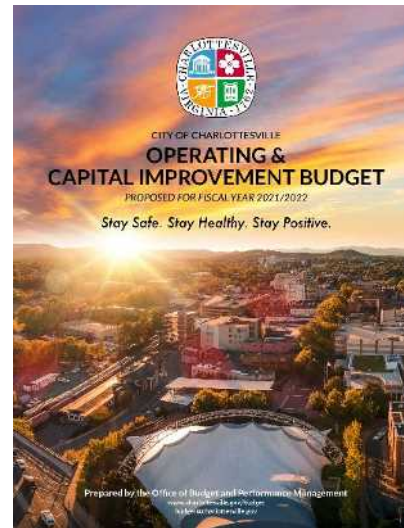
TENTATIVE - April 8: Work Session, 6pm – 8pm, Zoom Webinar, Remaining budget issues and wrap up

- 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

budget@charlottesville.gov
www.charlottesville.gov/budget



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Reductions from FY2022 Departmental Submissions

<u>Other Reductions</u>	<u>Amount</u>
Equipment Replacement Transfer	400,000
Facilities Repair Fund Transfer	200,000
Cash Transfer to Capital Improvement Program	485,344
Various Smaller Reductions to Departmental to Other Expenses	337,812
<i><u>Personnel Reductions</u></i>	
City Manager's Office - Vacant Deputy City Manager - keep Vacant for 3 months	59,271
Police - Personnel Costs Equivalent to 2 Vacant Police Officers	157,800
Purchasing - Vacant Buyer III	94,390
Facilities Maintenance - Vacant Custodian	53,398
Public Service - Vacant Maintenance Worker III	48,019
Engineering - No Paid Interns	49,895
Neighborhood Development Services - No Paid Interns	37,500
Neighborhood Development Services - Vacant Long Range Planner	115,227
TOTAL	\$ 2,038,656

Departmental New Request Summary

GENERAL FUND

Department		Description	# of FTE's	Department Priority	Amount	Notes
1	Sheriff	New Replacement Vehicles for Deputies	0	1 of 1	\$ 84,000.00	
2	Economic Development - Home to Hope	New Peer Navigator	1	1 of 1	\$ 51,260.00	Economic Development would be able to absorb this cost in the existing operating budget in FY22 through grants but may need additional funding in future fiscal years.
3	Commissioner of Revenue	Relief Programs Merger	0	1 of 1	\$ 615,000.00	Merges the CHAP and Tax Relief Programs. COR is recommending not moving forward with this or any changes to the Relief Programs due to budgetary constraints and revisiting for FY23.
4	Human Resources	Digitization of Personnel records	0	1 of 1	\$ 40,636.00	
5	Office of General Registrar	Move Voter registration Office or Create Satellite Office	0	1 of 1	unknown	New building would be more appropriate as a CIP request and needs to be evaluated as such. Need to evaluate satellite office possibilities for early voting.
6	Public Works - Admin	Systems Performance Analyst - Reclassification	1	1 of 15	\$ 44,019.00	
7	Public Works - Admin	Deputy Director	1	8 of 15	\$ 187,624.00	
8	Public Works - Admin	School Facility Coordinator	1	15 of 15	unknown	Placeholder Request for discussion with Charlottesville City Schools
9	Public Works - Engineering	Admin Assistant III	1	4 of 15	\$ 90,208.00	
10	Public Works - Engineering	Engineering Technician	1	6 of 15	\$ 75,369.00	
11	Public Works - Engineering	Traffic Inspector	1	9 of 15	\$ 81,618.00	
12	Public Works - Facilities Development	Facilities Development Manager	1	3 of 15	\$ 161,508.00	
13	Public Works - Facilities Development	Project Manager	1	3 of 15	\$ 111,886.00	
14	Public Works - Facilities Maintenance	Building Automation Systems Coordinator	1	11 of 15	\$ 59,977.00	
15	Public Works - Facilities Maintenance	Convert Long Term Temp Admin Assistant to Full time and reclassify to Analyst	1	13 of 15	\$ 38,469.00	
16	Fire	Emergency Manager Position	1	1 of 2	\$ 119,526.00	
17	Fire	Department Training Staff	1	1 of 2	\$ 111,251.00	
18	IT	Computer Replacement Funding	0	1 of 1	\$ 171,000.00	
19	Police	Increased Equipment Replacement Funding	0	N/A	\$ 200,000.00	
20	Police	Records Management System	0	N/A	\$ 500,000.00	Request is more appropriate to be considered as a CIP request
TOTAL - GENERAL FUND					\$ 2,743,351.00	
FTE's REQUESTED - GENERAL FUND			13			

OTHER FUNDS

Department		Description	# of FTE's	Department Priority	Amount	Notes
1	Transit	Conversion of 40 Relief Operators to Regular Full Time FTEs and 3/4 time FTEs	35	1 of 7	\$ 886,667.00	All Transit Requests will have an effect on the General Fund Transfer to Transit, and the cost to the County. Must be signed off on by the County and the City to move forward unless the City agrees to pick up 100% of the cost of the new positions.
2	Transit	Transit Operations Supervisor	2	5 of 7	\$ 145,921.00	
3	Transit	Transit Mechanics	4	2 of 7	\$ 303,761.00	
4	Transit	Transit Parts Manager	1	2 of 7	\$ 55,699.00	
5	Transit	Analyst 1	1	4 of 7	\$ 72,021.49	
6	Transit	Maintenance Worker	5	2 of 7	\$ 278,494.00	
7	Transit	Transit Planning Manager	1	3 of 7	\$ 127,989.00	
8	Public Works - Fleet	Fleet Maintenance Supervisor Reclassification	1	2 of 15	\$ 17,213.00	
9	Public Works - Fleet	Vehicle and Equipment Technician	1	10 of 15	\$ 82,380.00	
10	Public Works - Fleet	Emergency Vehicle and Equipment Technician	1	7 of 15	\$ 90,380.00	
11	Public Works Environmental (Gas)	Climate Action Plan Specialist	1	5 of 15	\$ 105,722.00	
12	Social Services	Reclassification - Management Analyst	0		\$ 15,244.00	
13	Stormwater	Intern	0.5	14 of 15	\$ 18,206.00	
TOTAL - OTHER FUNDS					\$ 2,199,697.49	
FTE's REQUESTED - NON GENERAL FUNDS			53.5			
GRAND TOTAL - ALL FUNDS					\$ 4,943,048.49	
FTE's REQUESTED - ALL FUNDS			66.5			