



City Manager's Proposed FY25 Budget Presentation

March 5, 2024



Economic Outlook

State of the City

- As of December 2023, city unemployment was 2.1%
- Citywide retail vacancy rate is 4.22% (3.14% Downtown)
- Sales Tax is up 9.79%
- Meals Tax is up 9.79%
- Lodging Tax is up 2.41%
- City outpacing state and federal trends
- **STRONG local economy!**



Strategic Framework

- Commitment to Justice, Equity, Diversity, Inclusion
- Affordable Housing
- Public Safety
- Organizational Excellence
- Transportation
- Climate Action
- Partnerships
- Education
- Economic Prosperity
- Recreation, Arts, Culture

To be a place where everyone thrives



Major Budget Highlights

- \$251,526,900 Total Revenues and Expenditures
- \$23 million in new revenue for Fiscal Year 2025
- 10.11% increase over Fiscal Year 2024
- Top Funding Priorities
 1. Collective Bargaining
 2. Class and Compensation
 3. Investment in Schools



\$23M
Increased
Revenues

- Increased performance of:
 - Real Estate tax assessments
 - Personal Property tax assessments
 - Sales, Meals, and Lodging taxes



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 - Sales, Meals, and Lodging taxes
- City-County Revenue Sharing increase of \$2 million
- Lodging tax rate increase from 8% to 9%
- Meals tax rate increase from 6.5% to 7.5%
- Real Estate tax increase from .96/100 to 98/100



Funding PRIORITY - Organizational Excellence

- Integration of Collective Bargaining



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- Class and Compensation Implementation



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- Integration of Collective Bargaining
- Class and Compensation Implementation
- Ensuring a minimum 2% compensation increase for all employees
- 1% COLA for Retirees
- Establishing a Sheriff's Office Pay Scale



Funding PRIORITY - Education

- Charlottesville City School's Operating Request is funded at **\$74.1** million
 - \$4.1 (Enhanced Formula Base) + \$2.9M (LCI Gap) = \$7 million increase



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 - \$1.25 million per year for priority initiatives chosen by CCS
 - \$30 million for Walker Pre-K Center



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- 2 additional Pupil Drivers
- 9 drivers converted from 30hr to 40hr employees

What Else Is Funded?

Affordable Housing - Climate Action - Transportation





Affordable Housing

\$8.9M allocated in FY 25

- Charlottesville Homeowner Assistance Program - \$1.3M
- Tax and Rent Relief for Elderly and Disabled - \$1.3M
- Stormwater Fee Assistance - \$20k
- CIP Investments - \$48M
 - Westhaven - \$15M
 - Charlottesville Affordable Housing Program (CAHF) - \$1.5M
 - Supplemental Rental Assistance Program (CSRAP) - \$900k
 - 501 Cherry Avenue - revision to help secure additional state funding over extended CIP period



Climate Action

Establishing a \$5M Climate Action Fund

- \$1M per year in the 5-year CIP
 - To support projects and initiatives focused internal to the city
 - Leads to operating improvements to reduce GHG emissions
 - Local match funds to leverage grant dollars to advance climate action



Transportation

Critical Capacity Enhancements

- 3 Customer Service Representatives for Downtown Transit Center operations
- Transit Planner to lead planning of transit services & collaborate on regional transit vision
- Dedicated Transit Buyer – jointly enhances capacity for CAT and Procurement Division

And More...

Public Safety - Partnerships





Public Safety

- Funding support for alternative response program
- Funding for restorative justice programming
- Continued funding for gun violence interruption & prevention
- Full absorption of 15 firefighter positions originally funded by SAFER grant



Partnerships with Outside and Non-Profit Agencies

- \$2.3M for the Vibrant Community Fund
- Absorbs \$893k funding increase for Fundamental Agencies
- Fully funded Governmental/Contractual Agencies including:
 - ECC
 - Library
 - SPCA
 - Region Ten
- Pathways Fund - \$1M



Increase Revenue vs. Decrease Expenses

- Lodging tax rate increase to 9%
- Meals tax rate increase to 7.5%
- Real Estate tax increase to .98/100
- Budgeting funded vacancies
LOWER
- REDUCING available vacancies
- CAPPING some leadership salary
placements
- DECLINING new requests
- LIMITING additional FTEs

Budget Details + Next Steps

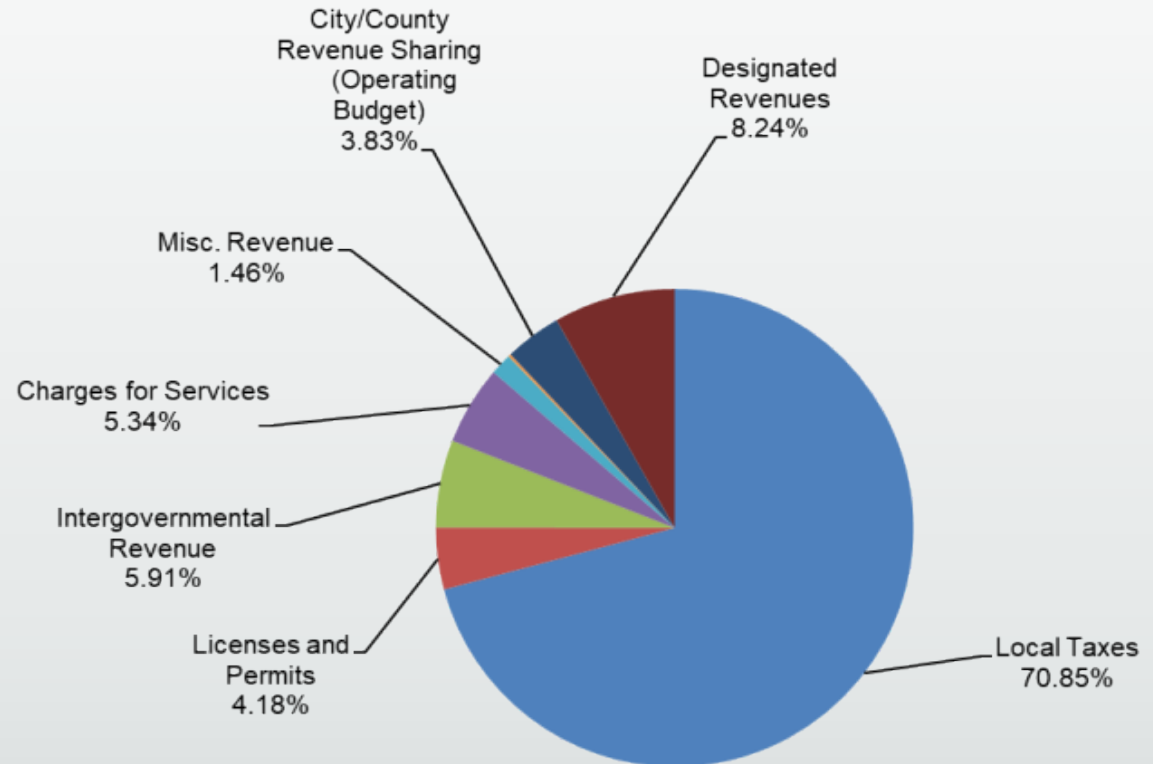
Krisy Hammill, Budget Director





General Fund Revenue Summary

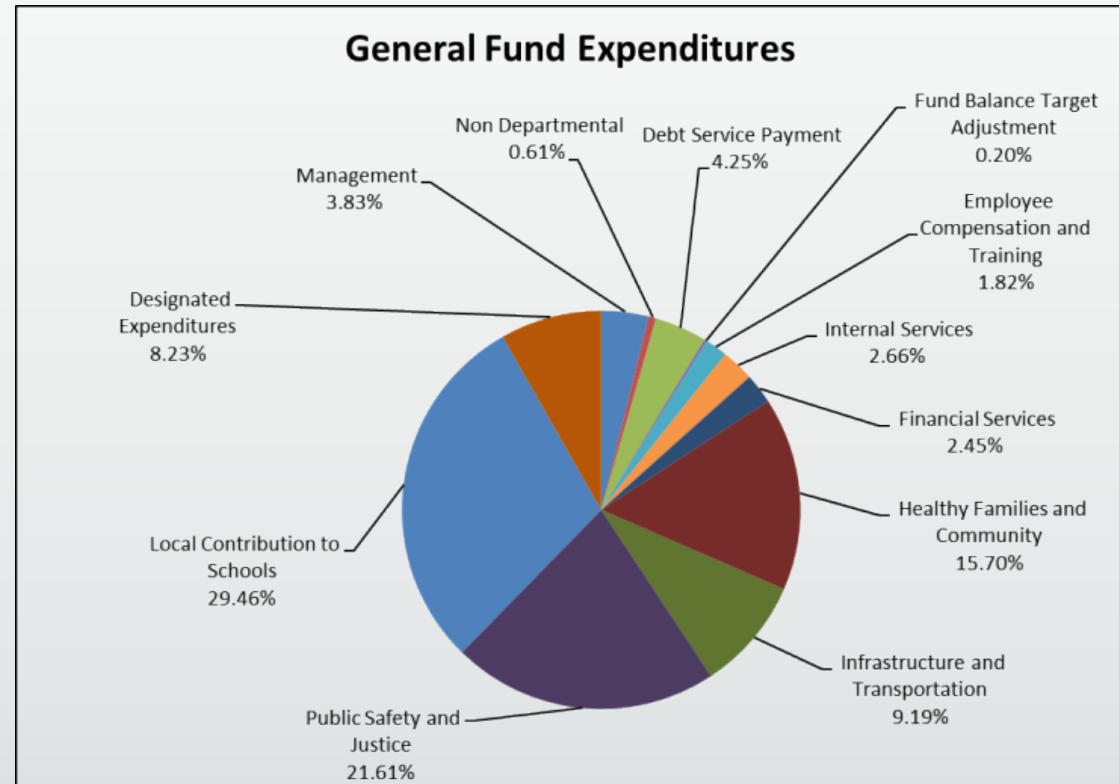
	FY 2025 Budget
General Fund Revenue	
Local Taxes	\$178,204,202
Licenses and Permits	10,525,000
Intergovernmental Revenue	14,875,697
Charges for Services	13,441,821
Misc. Revenue	3,675,000
Transfers From Other Funds	450,000
City/County Revenue Sharing (Operating Budget)	9,640,199
Designated Revenues	20,714,982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





General Fund Expenditure Summary

	FY 2025 Budget
General Fund Expenditures	
Management	\$ 9,630,286
Non Departmental	1,534,119
Debt Service Payment	10,689,766
Fund Balance Target Adjustment	500,000
Employee Compensation and Training	4,570,450
Internal Services	6,685,337
Financial Services	6,155,204
Healthy Families and Community	39,497,685
Infrastructure and Transportation	23,127,056
Public Safety and Justice	54,349,098
Local Contribution to Schools	74,092,134
Designated Expenditures	20,695,765
TOTAL GENERAL FUND BUDGET	\$ 251,526,900





Capital Improvement Program and Debt

CITY MANAGER PROPOSED 5-YEAR PLAN						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Totals
Sources of Funds:						
General fund transfer	\$ 7,798,529	\$ 8,034,896	\$ 8,255,693	\$ 8,483,114	\$ 8,717,357	\$ 41,289,588
CIP Contingency	584,816	399,679	2,008,452	-	681,776	\$ 3,674,723
Bond issues	22,077,418	16,501,860	22,465,329	41,801,377	20,543,950	\$ 123,389,934
Contribution from Schools	2,400,000	2,500,000	200,000	200,000	200,000	\$ 5,500,000
Other	3,540,000	40,000	40,000	40,000	40,000	\$ 3,700,000
Total sources	\$ 36,400,763	\$ 27,476,435	\$ 32,969,474	\$ 50,524,491	\$ 30,183,083	\$ 177,554,245
Uses of funds:						
Education	\$5,787,504	\$5,757,489	\$8,900,000	\$30,900,000	\$4,900,000	\$56,244,993
Facilities Capital Projects	\$5,055,083	\$2,696,794	\$3,316,264	\$2,493,930	\$12,193,950	\$25,756,021
Public safety and justice	\$783,800	\$1,033,918	\$1,909,065	\$1,850,768	\$350,000	\$5,927,551
Transportation and access	\$9,704,376	\$5,036,234	\$5,044,645	\$5,025,293	\$4,452,133	\$29,262,681
Parks and recreation	\$5,650,000	\$1,112,000	\$1,112,000	\$1,112,000	\$1,112,000	\$10,098,000
Affordable Housing	\$8,910,000	\$11,400,000	\$12,247,500	\$8,852,500	\$6,885,000	\$48,295,000
Technology Infrastructure	\$510,000	\$440,000	\$440,000	\$290,000	\$290,000	\$1,970,000
Total uses	\$ 36,400,763	\$ 27,476,435	\$ 32,969,474	\$ 50,524,491	\$ 30,183,083	\$177,554,245



The Details

- Online Budget Book
 - www.Charlottesville.gov/budget
 - Allows exploration of budget data down to the line-item level for each Department
 - Provides multi-year comparison of historical, audited financial data with the current and proposed budget
 - User-friendly, easy navigation
- Budget Explorer Tool
 - Designed “in-house” by Budget Office Staff
 - Provides Current Year Quarterly Reports and CIP details at the Project level





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

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				

Public Hearings*

Budget Adoption

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

CITY OF CHARLOTTESVILLE
OPERATING & CAPITAL IMPROVEMENT

BUDGET



PROPOSED | FISCAL YEAR 2024/2025



A PLACE WHERE EVERYONE THRIVES

