



# **City Manager's FY 2027 Proposed Budget**

**March 26, 2026**

**City Council Meeting**



# Overall Proposed Budget

July 1, 2026—June 30, 2027




Total proposed budget is **\$168,486,888** for all funds

❖ \$3.95 million (or 2.4%) increase over FY 2026

General Fund proposed budget is **\$83,320,150**

❖ \$3.5 million (or 4.41%) increase over FY 2026



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- A decorative horizontal bar consisting of a series of colored rectangular segments in shades of purple, green, blue, grey, yellow, red, dark blue, tan, teal, and olive green.
- ❖ Fully supports City Schools - local contribution increase of 7.7%
  - ❖ Provides stability in city services and supports employees
  - ❖ Preserves flexibility for the unexpected
  - ❖ Significant increases in regional agencies and programs that support health and families
  - ❖ Increases support for tax relief programs
  - ❖ Focuses on environmental sustainability
  - ❖ Creates intentional focus on economic mobility and opportunity, business support and resilience
  - ❖ Focuses on technology and communication
  - ❖ Increases funding for and continues path to build and maintain critical infrastructure



# Alignment with 2026-2028 Staunton Plan

## An Economically Vibrant Community

Economic Mobility & Opportunity Initiative; Enterprise Zone Incentives; Uniontown Water and Sewer; Downtown Staunton Re-Visioning; Economic Development Website; Resilient Housing Initiative Capital Funds



## A Resilient and Sustainable Community


Portion of new revenue from Cig. Tax supports programs/education to reduce trash/encourage recycling; Environmental Sustainability capital reserve

## A Healthy Community

Expands summer pool season at both parks; P&R Master Plan; Booker T. Washington Reimagined

## An Informed and Engaged Community

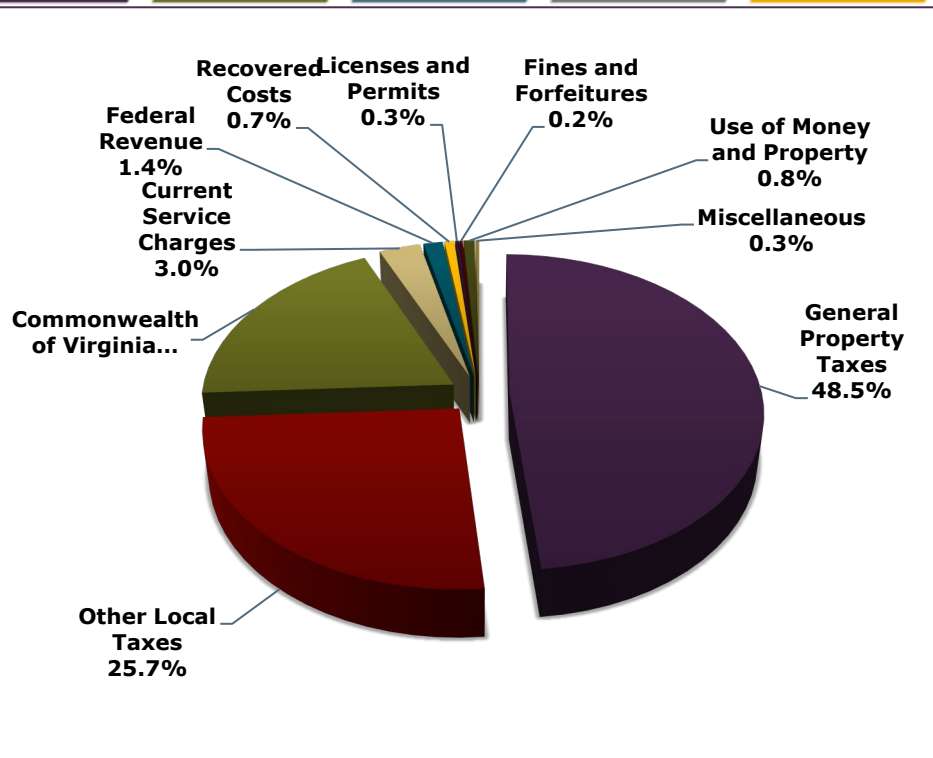
Improves 911 communication with new CAD to CAD system; Voting equipment updates; Upgrade to Microsoft Cloud 365

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- A decorative horizontal bar consisting of several colored segments: purple, olive green, blue, grey, yellow, dark red, dark blue, tan, teal, and dark green.
- ❖ Real Estate Tax Rate remains at \$.91 per \$100 assessed value
  - ❖ Personal Property Tax Rate remains at \$2.90 per \$100 assessed value
  - ❖ No change in Meals Tax or Lodging Tax Rates

***Proposed increase of the Cigarette Tax Rate from \$.30 per pack to \$.40 per pack, generating additional projected revenue of \$90,000***

# General Fund Revenues

**\$83.3 M**



**CITY OF STAUNTON  
FY 2027 GENERAL FUND REVENUES**

Category	FY2027	% of Total
General Property Taxes	\$ 40,371,764	48.5%
Other Local Taxes	21,414,000	25.7%
Commonwealth of Virginia	15,996,830	19.2%
Current Service Charges	2,481,202	3.0%
Federal Revenue	1,165,312	1.4%
Recovered Costs	584,500	0.7%
Licenses and Permits	244,000	0.3%
Fines and Forfeitures	180,500	0.2%
Use of Money and Property	665,000	0.8%
Miscellaneous	217,042	0.3%
<b>Total Revenues</b>	<b>\$ 83,320,150</b>	<b>100.0%</b>



# General Fund Revenues Increase of \$3,516,637

## ❖ General Property Taxes \$1,053,607

- Real estate tax revenue increase by \$357,607
- Personal property tax revenue increase by \$696,000

## ❖ Other Local Taxes \$1,085,478

- Sales tax revenue increase by \$300,478
- Meals tax revenue increase by \$250,000
- Business license tax revenue increase by \$200,000
- Transient Occupancy (Lodging) Tax \$150,000
- **Cigarette Tax - \$90,000\***
- All Other \$95,000

**\*Proposed increase from \$.30 to \$.40 per pack**

## ❖ Service Charges \$331,766

- PILOT (Enterprise funds) - \$196,516
- Golf Cart/Green Fees - \$75,000
- Other Recreation - \$52,850
  - GHP Pool – Res: \$3; **Non Res: \$4**
  - MHP Pool – Res: \$2; **Non Res.: \$3**
- All Other - \$7,400

## ❖ State and Federal Funding \$860,648

- VDOT Highway Maintenance - \$436,178
- Social Services/Children's Services Act - \$316,135
- Compensation Board - \$43,956
- Law Enforcement 599 - \$43,758
- All Other - \$20,621

## ❖ All Other \$185,138 (incl. Economic Mobility grant<sup>7</sup>)

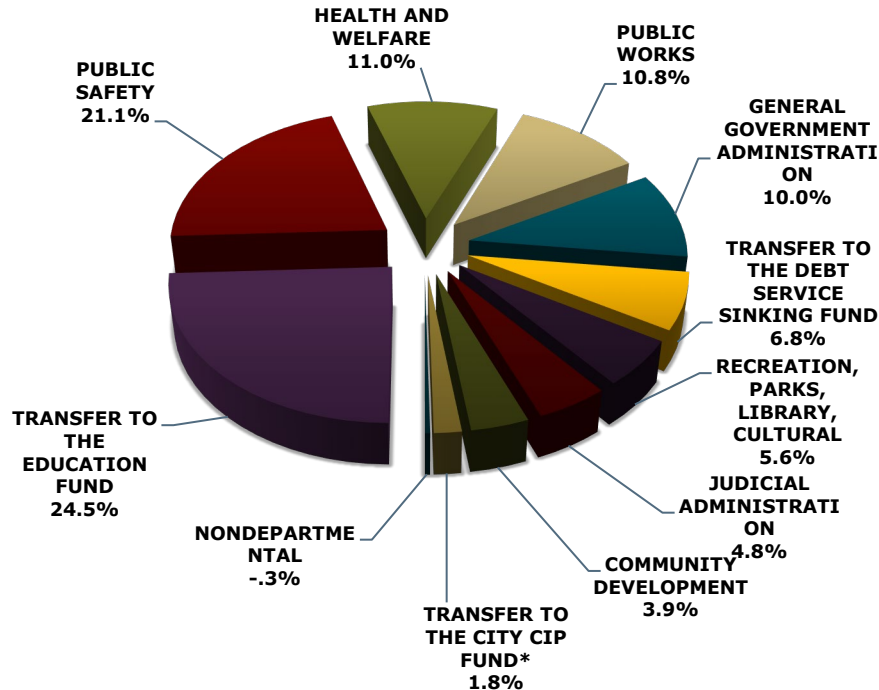
# General Fund Expenditures

**\$83.3 M**

## CITY OF STAUNTON

### FY 2027 GENERAL FUND EXPENDITURES

	FY2027 PROPOSED	
TRANSFER TO THE EDUCATION FUND	\$ 20,366,404	24.4%
PUBLIC SAFETY	17,498,750	21.0%
HEALTH AND WELFARE	9,122,676	10.9%
PUBLIC WORKS	8,985,220	10.8%
GENERAL GOVERNMENT ADMINISTRATION	8,543,318	10.3%
TRANSFER TO THE DEBT SERVICE SINKING FUND	5,676,903	6.8%
RECREATION, PARKS, LIBRARY, CULTURAL	4,689,945	5.6%
JUDICIAL ADMINISTRATION	4,001,320	4.8%
COMMUNITY DEVELOPMENT	3,201,801	3.8%
TRANSFER TO THE CITY CIP FUND*	1,518,813	1.8%
NONDEPARTMENTAL	(285,000)	-0.3%
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 83,320,150</b>	<b>100.00%</b>



# How is the additional General Fund revenue being allocated?



**\$ 1,461,942**

## Staunton City Schools

- Per the school funding formula
- 7.73% increase
- \$20,366,404 Total funding

**\$ 241,973**

## PD Comp Plan Phase II

- Phase II of the compensation plan for the Police Department implemented in FY2026



**\$ 627,397**

## Salaries and Benefits

- \$743,724- 3% cost of living increase for FT/PT employees
- \$116,809 - increase in health insurance due to high claims
- \$121,546 – Economic Mobility & Opportunity (largely grant funded)
- \$12,292 – Additional PT wages for extended pool season
- \$18,728 – All other salary/benefit changes
- \$(52,326) – Clerk of Council savings
- \$(333,376) – VRS Savings



## Decrease of \$333,376 for the General Fund

1. Retirement – Defined Benefit rate decreased from 16.77% to 14.54%
2. Group Life Insurance rate decreased from 1.18% to 1.06%
3. Rates are good for FY2027 and FY2028
4. The schools and the jail are experiencing the same type of decrease.



Virginia  
Retirement  
System

# How is the additional General Fund revenue being allocated?

**\$ 888,314**

## **Other Expenses**

- \$385,586 - VDOT Maintenance Related Expenditures
- \$70,000 - Additional Real Estate Tax Relief
- \$150,000 – Implementation of and migration to Microsoft Office 365
- \$50,000 – Voting Registrar Tabulation Software (state mandate)
- \$44,000 – Staunton Crossing mowing
- \$30,000 – Enterprise Zone Incentives



# How is the additional General Fund revenue being allocated?

**\$ 888,314**

## **Other Expenses (Con't)**

- \$30,000 – Replace 30 Door Access readers
- \$20,000 – Additional Training funds for Police Department
- \$15,000 – New CAD to CAD maintenance fee
- \$15,000 – To support pilot programs and education geared to reducing refuse and increasing recycling
- \$78,728 – All Other Operating Increases



# How is the additional General Fund revenue being allocated?



- \$560,994 Department of Social Services & CSA - ↑ 7.8%
  - \$316,135 State & Federal Funded - ↑ 6.3%
  - \$244,859 Locally Funded Portion - ↑ 11.2%
- \$53,763 Juvenile Detention Center - ↑ 23.7%
- \$31,238 Valley Community Services Board – ↑ 7.6%
- \$15,384 Health Department – ↑ 4.6%
- \$10,749 Office on Youth – ↑ 5%
- \$10,000 Shenandoah Valley Small Business Development (new)

**\$297,427**  
**Outside Agency  
& SAW  
Partnerships**

# How is the additional General Fund revenue being allocated?



**\$297,427**

**Outside Agency  
& SAW  
Partnerships**

- \$10,000 Staunton Augusta County African American Research Society (new)
- \$8,479 SDDA (Downtown tax) – ↑ 3.9%
- \$415 Central Shenandoah Planning District Commission - ↑.3%
- \$(5,000) Staunton Community Capital Fund - ↓ 33%
- \$(6,911) Animal Shelter\* – ↓ 2.4%
- \$(391,684) Middle River Regional Jail\* – ↓ 11.3%

\*These agencies are fully funded. Reductions based on their FY2027 application.

## Decrease of \$391,684

1. Share of expenditures decreased from 24.29% to 23.00%
2. \$750,000 - Return of excess unrestricted net position
  - Amount is for all localities; the city will receive its share based on usage
  - Will continue the next seven years at \$750,000 per year



## ❖ School Education Fund FY2027 Proposed Budget

- 7.4% increase in total - \$3,387,089
  - 7.7% Increase in Local Funding - \$1,461,942
  - 7.2% Increase in State Funding - \$1,792,589
  - 6.2% Increase in Federal & Other - \$132,558
- 3% COLA plus 1% additional raise for Step 20 and above
- Six (6) new positions
- 17% increase in operating expenditures
- No change in CIP transfer. Remains at \$200,000.



- ❖ Outstanding General Fund Debt service for schools = \$40.7 million (65% of total General Fund debt)
- ❖ Local contribution increase is allocated to operating expenditures



## Health and Welfare – Increase of \$677,736

Major drivers include:

- ❖ Children’s Services Act \$400,000 increase (↑ 10.5% )
- ❖ Department of Social Services \$161,000 increase (↑ 6.2%)
- ❖ Valley Community Services Board \$31,238 increase (↑ 7.6%)
- ❖ Health Department \$15,384 increase (↑ 4.6%)
- ❖ Real Estate Tax Relief \$70,000 increase (↑ 19.4%)
  - Veterans Tax Relief \$15,000
  - Elderly & Disabled \$55,000
  - Total Relief Budget for FY2027 is **\$430,000**



## Public Works – Increase of \$600,941

Major drivers include:



- ❖ Salaries and Benefits \$127,285 increase
  - 3% cost of living increase, effective July 1, 2026
- ❖ VDOT Reimbursable \$440,586
  - VDOT revenue restricted specifically for eligible expenditures, including paving, sidewalk repairs, street line painting, traffic signals, and right of way maintenance.
- ❖ All Other Operating Increases \$33,070 (2.4% increase)

### Unfunded Requests:

- Design Engineering Position \$120,695
- Additional FT Custodian for Library \$62,651
- Additional PT Custodian for JDR Courthouse \$25,836
- Additional PT Bldg. Maint. Staff \$25,836
- PT to FT PW Admin \$42,714
- Operating Expense Requests \$68,300

## Public Safety – Increase of \$45,093

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2026
- ❖ Police Department Comp Plan Phase II - \$241,973
- ❖ Middle River Regional Jail decrease of \$391,684  **11.3%**
- ❖ Shenandoah Valley Juvenile Detention Center increase \$53,763  **23.7%**

### Unfunded Requests:

- Increase Hazardous Duty Multiplier to 1.85% \$232,177
- Three Additional Staff for Fire Department \$227,783
- Three Replacement Vehicles for PD Department \$233,553
- Fire Department Compensation Improvements \$59,739
- Operating Expense Requests \$17,520

## Judicial Administration— Increase of \$48,554

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2026
- ❖ Decrease in Operating Expenditures of \$60,592 due to separation of JDR District courts.

### Unfunded Requests:

- **Four Additional Sheriff's Deputies \$303,618**
- **Four Additional Vehicles for Sheriff's Department \$255,572**
- **Sheriff's Department Compensation Improvements \$52,729**
- **Operating Expense Requests \$6,900**





# Expenditure Details—Functional Areas

## General Government – Increase of \$464,567

Major drivers include:

- ❖ Salaries and Benefits = \$161k increase
  - 3% cost of living increase, effective July 1, 2026
  - Economic Mobility grant position
- ❖ Economic Mobility & Opportunity Grant other expenses - \$29,055
- ❖ Microsoft Cloud Migration - \$150,000
- ❖ Registrar Voting Software - \$50,000
- ❖ Insurance - \$23,000



### Unfunded Requests:

- **PT to FT Position Request for Registrar \$40,085**
- **Contractual Agreements \$145,000**
- **Replacement Vehicle for Assessor \$30,000**
- **Operating Expense Requests \$45,311**

## Community Development – Increase of \$140,324

Major drivers include:

- ❖ 3% cost of living increase, effective July 1, 2026
- ❖ Enterprise Zone Incentives – increase of \$30,000
- ❖ Mowing at Staunton Crossing - \$44,000 (previously funded in the CIP Fund)



### **Unfunded Requests:**

- **Small Area Planning \$50,000**
- **Maintenance of Facilities (Staunton Crossing) \$44,000 (total request \$88,000)**
- **Operating Expense Requests \$60,266**

## Recreation, Parks, Library – Increase of \$77,480

Major drivers include:

- ❖ Salaries and Benefits \$70,905
  - 3% cost of living increase, effective July 1, 2026
  - Additional \$12,292 to extend pool season

### Unfunded Requests:

- Library Furniture and Computer Equipment \$32,170
- Parks & Rec Equipment \$415,700
- Operating Expense Requests \$49,015





# FY 2027 Capital Improvement Plan

## Transfer to CIP – maintains the annual funding at \$1,518,813

- ❖ \$287,261 – Uniontown Neighborhood Improvements Reserve
- ❖ \$287,261 – West End Revitalization Reserve
- ❖ \$287,261 – Library Improvements Reserve
- ❖ \$657,030 – Infrastructure Repairs & Improvements

*Will revisit entire CIP at the April 2<sup>nd</sup> Work Session*



**STAUNTON**  
VIRGINIA

**CAPITAL IMPROVEMENT PLAN**  
**FY2027 - FY2031**

**CITY COUNCIL DRAFT**  
**3/26/2026**

# Update on Parks Bathrooms

## Montgomery Hall Park

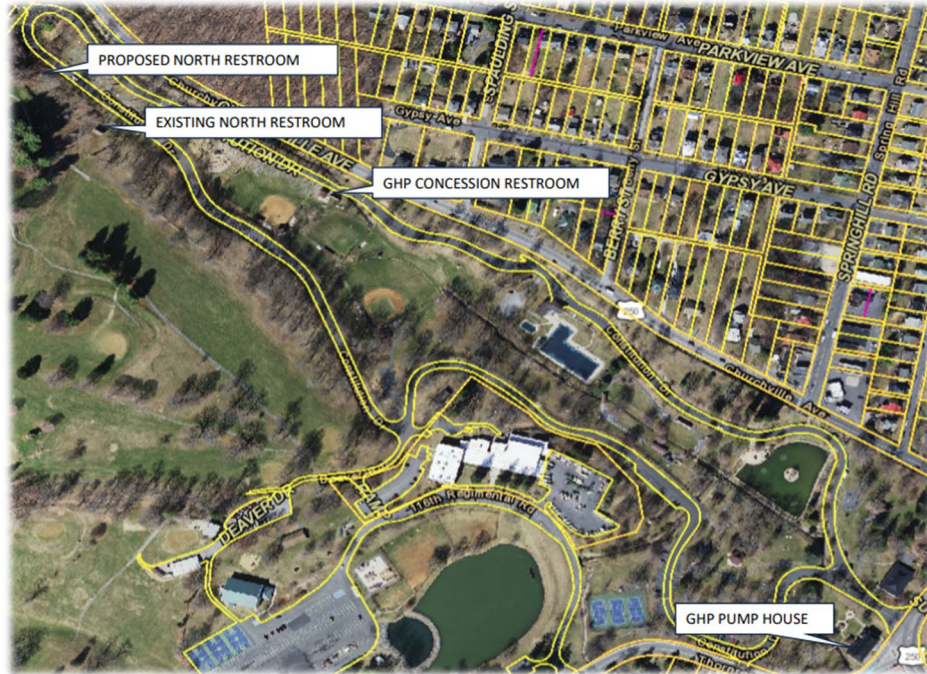
### Improvements Include:

- ❖ Remodeled, all season, ADA compliant bathrooms
- ❖ ADA sidewalk to Bathroom 1
- ❖ Outdoor showers and remodeled bathrooms at pool house
- ❖ New bathroom near Rotary Pavillion



# Update on Parks Bathrooms

## Gypsy Hill Park



### Improvements Include:

- ❖ Remodeled, all season, ADA compliant bathroom near concession stand
- ❖ New bathroom on north end near picnic shelter
- ❖ Add on – remodel bathroom in Pump House



## What is Next?


- ❖ Plans are ready
- ❖ Project manual/bid packet with Procurement for review
- ❖ Bid by late April
- ❖ Anticipate summer/fall construction start
- ❖ CIP funding available \$2,150,000
- ❖ Cost estimates have not been provided.
- ❖ Pump House improvements are a bid alternate on combined bid.

## Budget includes \$6.56 million for the debt sinking fund

- ❖ \$5.68 million transfer from General Fund
- ❖ \$.9 million fund balance reserves

## Debt Policy Ratios

- 1) Net Direct Debt as a % of Taxable Assessed Value 1.84% (limit 4%)
- 2) Debt Service as a % of Total Governmental Expenditures 8.66% (limit 15%)
- 3) 10 Year Payout Ratio of Tax Support Debt 50.60% (minimum required 50%)  
-This is the first year the 10 Year Payout ratio is been met since the issuance of the high school debt.

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- A decorative horizontal bar consisting of several colored segments: purple, olive green, blue, grey, yellow, dark red, dark blue, tan, teal, and olive green.
- ❖ A thorough review of the Water, Sewer, & Environmental rates was presented at the March 12, 2026 City Council meeting.
  - ❖ Aging infrastructure and competitive labor markets plague the utility funds.
  - ❖ Recent **Community Survey** showed a decrease of 9% in the public’s perception of the “overall quality of utility infrastructure” and a 9% rise in residents wanting it prioritized
  - ❖ Fund balances and current utility rates are not sufficient enough to cover the five-year capital needs.
  - ❖ The city has issued an RFP for a Utility Rate Study.

# Proprietary Funds – Water Fund

- ❖ Five-year Capital Plan \$22,137,000 needs
- ❖ Current fund balance and rates will not cover five-year CIP
- ❖ Two equipment operator positions still frozen from FY2023
- ❖ **Proposed water usage fee from \$4.06 to \$4.28 per HCF (hundred cubic feet or 748 gallons)**
- ❖ Provides an additional \$208k in revenue



- ❖ Five-year Capital Plan \$13,500,000
- ❖ Fund balance not sufficient to cover five-year CIP
- ❖ Uniontown estimates are now \$6M, could increase during actual design.
- ❖ One equipment operator position still frozen from FY2023
- ❖ Proposed sewer usage fee from \$5.60 to \$6.00 per HCF (hundred cubic feet or 748 gallons)
- ❖ Provides an additional \$309k in revenue



- ❖ Fund balance inadequate to fund capital needs.
- ❖ Fund in danger of becoming insolvent.
- ❖ **\$ 5 million** required to fund Staunton's share of the five-year Landfill capital plan
  - Relocate scale house and admin office, replace large equipment, open next phase, closure costs
- ❖ **Proposed increase for residential refuse service**
  - \$24.01 per month to \$27.50 per month
  - Commercial services will increase by the same 14.53%




- ❖ The Parking Fund is currently operating with a deficit and is no longer self-supporting.
- ❖ Unrestricted Net Position as of June 30, 2025 was **\$13,442**.
- ❖ Fund will have a negative fund balance at the end of FY2026.
- ❖ The deficit for FY2027 is \$272,494.
- ❖ Outstanding debt balance as of June 30, 2026 will be \$1,220,000 with annual debt service payment of \$179,463.



❖ ***Any recommended changes to rates, subsidies, or operations will be part of the holistic re-visioning of downtown.***

*Budgets are all about choices and making difficult decisions and are based on Council priorities, sound financial and management principles and experience*

- ❖ \$395,000 in operating expenditures, across city General Fund departments, were reduced or realigned allowing a portion of new budget requests to be funded without having to identify additional funds
- ❖ FY 2027 CIP funding to be funded with projected FY 2026 carryover = \$3.5 million
- ❖ Many new department requests remain **unfunded**:
  - \$1.2 million in new/upgraded positions and enhanced benefits
  - More than \$1.5 million in operational and equipment expenditures
- ❖ \$94,669 in new outside agency requests remain unfunded
- ❖ Budgeted attrition (position vacancy) savings = \$300,000
- ❖ Budgets \$0.9 million from Debt Service Sinking Fund balance to cover FY 2027 annual debt service

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- A decorative horizontal bar consisting of a series of colored rectangular segments in shades of purple, green, blue, grey, yellow, red, dark blue, tan, teal, and olive green.
- ❖ Saving long and short-term costs with a new financial services provider
  - ❖ Using less paper and going digital
  - ❖ Reclassifying vacant positions better to address needs of the city
  - ❖ Cross training employees
  - ❖ Completing maintenance services in house
  - ❖ Providing city services more efficiently through use of technology and reducing touch points for end users
  - ❖ Re-negotiating contracts

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- A decorative horizontal bar consisting of a series of colored rectangular segments in shades of purple, green, blue, grey, yellow, red, dark blue, tan, and teal.
- ❖ **Downtown corridor** – *Elli Bubble Sweet Tea, The Frenchmen, Sama Sama, La Sunflower, Legacy of the Rose, Atlas and Ember, Geek Boutique, The Queen Bee, Sleepy Outlaw, Junction Bar and Lounge, and Kim Thai*
  - ❖ **Around the City** – *Juvenile & Domestic Relations District Courthouse, El Camino Supermarket, Safe Storage, WAWA, Los Primos, Solshine, The Lone Survivalist, The Joint Chiropractor, Grady's Automotive, Serenity First Hospice Care, Loose Thread Studio, and Blarney Stone Farms*
  - ❖ **Industrial Growth** – *Weiland Provides expansion, Cadence expansion, Federal Auto expansion, Ciders from Mars expansion, Columbia Gas warehouse relocation*
  - ❖ **New Housing** – *South View Section 5 and 6 and Bell Creek Sections 3 and 4.*



❖ Infrastructure projects:

*Gardner Springs Pump Station; Gypsy Hill Park Stream Restoration; Cole Avenue Stream Restoration; J&DR District Courthouse; Staunton Crossing Water Tank and Water & Sewer Infrastructure; Gypsy Hill Park Pool House; Regional Radio Project; West Beverley St. and Churchville Ave. Improvements*

❖ Update to Comprehensive Plan

❖ Seventh year as HUD entitlement community over \$318,000 in CDBG/HUD funds directed to help low to moderate income families and infrastructure projects in their neighborhoods





*"10 Most Beautiful Small Towns in Virginia"*

*"20 Best Fall Foliage Drives"*

*"Top Places to Live in Virginia"*

*"Top 9 Best Towns in VA for Antiquing"*

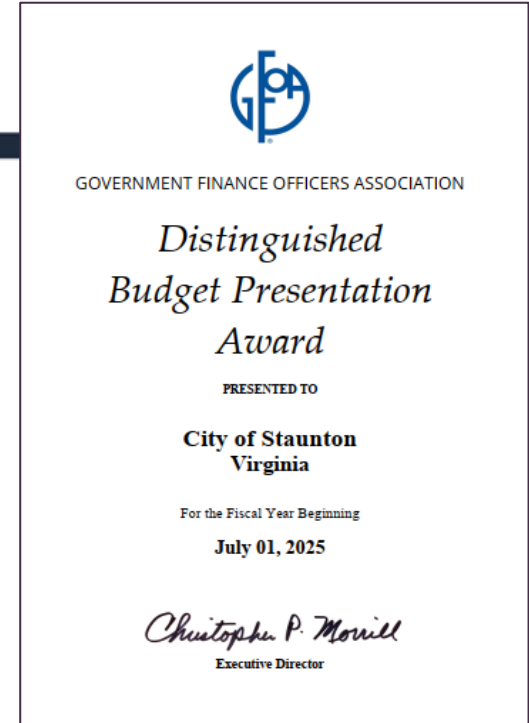
*"Cultural & Culinary Gem"*

*"Top 8 Virginia Towns"*

*"Best Places to Live in 2025"*

GFOA Distinguished Budget Presentation Award for  
FY 2026 Adopted Budget

GFOA Certificate of Achievement for Excellence in Financial  
Reporting for FY 2025 Annual Comprehensive Financial Report



*Many thanks to the entire finance/budget/revenue team, and our team of directors and staff of all the city departments and regional agencies for their tireless commitment and passion towards serving the Staunton community. None of this is possible without them.*

**FY 2027 Budget** at [www.ci.staunton.va.us/budget](http://www.ci.staunton.va.us/budget)

Hardcopies of the budget can be viewed in the City Manager’s Office and the Library

**Contact City Council** at [CityCouncil@ci.staunton.va.us](mailto:CityCouncil@ci.staunton.va.us) or 540.332.3812

### **Budget Work Sessions**

April 2, 9 (joint with City Schools), 16 (tent.), and 23

### **Public Hearings**

April 9 – Overall Budget Ordinance and Utility Rate Increases

### **Scheduled Budget Adoption**

April 23



[www.ci.staunton.va.us/budget](http://www.ci.staunton.va.us/budget)



[CityCouncil@ci.staunton.va.us](mailto:CityCouncil@ci.staunton.va.us)



[Budget@ci.staunton.va.us](mailto:Budget@ci.staunton.va.us)