

CITY OF CHARLOTTESVILLE
OPERATING & CAPITAL IMPROVEMENT

BUDGET



PROPOSED | FISCAL YEAR 2024/2025



A PLACE WHERE EVERYONE THRIVES



Budget Work Session

FY 2025
Community Budget Forum

March 21, 2024



Agenda

- Remarks from City Manager
- Public Comment
- Follow-up - March 14 Work Session
- Council Discussion



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



Major Budget Highlights

- Funding Priorities

1. Fairly compensating our employees and recruiting the best in our market so this organization performs optimally for our residents
2. Investing in our Schools
3. Affordable Housing
4. Climate Action
5. Transportation
6. Public Safety



Education

- Charlottesville City School's Original Local Request: \$12 million/\$9 million
 - \$6 million initially projected in Proposed Budget
 - Increased to **\$7 million** with Council agreement to adjust tax rates
- **\$56.2** million 5-Year Capital Improvement Plan for Education Investments
 - \$1.25 million per year for priority initiatives chosen by CCS
 - \$30 million for Walker Pre-K Center
- 2 additional Pupil Drivers
- 9 drivers converted from 30hr to 40hr employees



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



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



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



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



Follow-up Items from March 14th Work Session



Pathways Fund General Information

- The Community Resource Hotline is designed to provide rental/mortgage/utility bill assistance to eligible households in Charlottesville.
- In partnership with the United Way of Greater Charlottesville, the City of Charlottesville disperses funds to help households experiencing financial hardship.
- In addition, operators may assist callers with referrals to other organizations for resources.
- The Community Resource Hotline number is: 833-524-2904 and is available 9-5, Monday-Friday. Our Spanish line number is 434-373-0930.



Pathways Fund Performance

- Since July 1, 2023, the hotline has met 892 requests for assistance for a total of \$770,241.00 dispersed.
 - 211 requests were for assistance for utility bills - \$119,878 disbursed
 - 681 requests were for assistance for rent/mortgage payments - \$650,363 disbursed
- 92% of residents served are noted as earning 0 – 30% AMI.
- Of the residents who received relief payments, 74% are Black, 15% White, and 5% Asian, and 6% did not report.
- The average payment per request is \$741.00.
- There are two operators, one administrative support staff, and a program supervisor who supports this operation.



Refuse Collection

Why do we subsidize?

- Solid waste collection has historically been viewed as a core service provided to our residents
- Ensure that the programs are accessible to all and reduces barriers to recycling participation
- Directly impacts our comprehensive landfill diversion efforts
- Supports goals of the City's Climate Action Plan
 - Reduce total waste generated volumes 20% by 2030 and 90% by 2050
 - Divert 50% of Charlottesville's organic materials from the landfill by 2030
 - Seek equitable distribution of costs, services, and generation of waste materials across community members

Solid Waste Program Revenues	
Revenue Item	Amount
Sticker Sales	\$ 44,325.75
Stickers Sales Retail	\$ 380,877.35
Annual Decal Sales	\$ 783,327.18
Large Item Collection Fees	\$ 69,455.00
Total	\$ 1,277,985.28
Solid Waste Program Expenses	
Expense Item	Amount
Residential Curbside Refuse Contract	\$ 1,039,350.72
Residential Curbside Recycling Contract	\$ 467,782.32
Tipping Fees MSW	\$ 536,176.00
Tipping Fees Recycling	\$ 300,888.00
Total	\$ 2,344,197.04
Net Operating Balance	\$ (1,066,211.76)



Refuse Collection Options

Fee	Proposed FY25 Rate
Refuse Collection	
Trash Sticker Fee	
12 Gallon	\$1.05 Each
31 Gallon	\$2.10 Each
Trash Decal Fees	
32 Gallon Can	\$94.50 Annually
50 Gallon Can	\$147.50 Annually
64 Gallon Can	\$189.00 Annually
96 Gallon Can	\$283.50 Annually
96 Gallon Can - Daily Collection	\$491.40 Quarterly

- **Annual Decal Sales** – Revenue total includes approximately \$29k in quarterly decal sales for the downtown/uptown/Belmont businesses (almost exclusively restaurants) that pay \$491.40 per 96 gallon decal each quarter to get daily service.
- **Sticker Sales Retail** – Retailers such as grocery stores and convenience stores sell stickers on the City’s behalf. Retailers retain 5% of the sale proceeds.
- **Free Refuse Collection** –
 - **RE Relief & Rent Relief**: Qualified recipients receive free trash services for the year in which they qualify. There is no cost recovery for this benefit, estimated at \$14,000 annually.
 - **DSS Customers** – Qualified recipients receive free trash services for the year in which they qualify. There is no cost recovery for this benefit, estimated at \$41,000 annually.
- **Administrative costs** – The program is jointly administered by the Treasurer’s Office and the Public Service Division of Public Works. There are approximately \$10,000 in decal and stock supply costs each year plus staff time for issuing 5,000 decals annually, as well as sheets of individual trash stickers.



Refuse Collection

- The solid waste market is rapidly changing, and cost escalation is impacting the entire system from collection, staffing, equipment costs, hauling, and material processing.
- We are in review of our entire portfolio of solid waste services to obtain better information on current and projected market costs to better inform discussions and any potential changes.
- Timeline for Changes – FY 2026 Budget



CAT Optimization Timing

- Timing for utilizing any allocation of additional drivers
 - Training Process takes 4 to 5 months
 - If approved as of 7/1/24, ideally drivers would be hired and trained by 12/31/24
 - Services Enhancements would begin January 2025
- Do we have the vehicle count need to support the additional drivers?
 - 30 buses are needed to implement the Phase 2 service enhancements
 - CAT is developing a plan to have 32 buses available for service within 8 months



Council Feedback

1. Funds allocated to schools (\$7M vs \$9M requested)
2. Tax Rates as Proposed - Real Estate \$0.02 (\$0.03 advertised), Lodging 1% and Meals 1%
3. VCF/Agency Funding Adjustments
4. Other thoughts??



Important Budget Dates



Work Sessions



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

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The graphic is a vertical banner for the City of Charlottesville budget. It features the city's logo at the top right. Below the logo, the text reads 'CITY OF CHARLOTTESVILLE OPERATING & CAPITAL IMPROVEMENT BUDGET'. Underneath that, it says 'PROPOSED | FISCAL YEAR 2024/2025'. The bottom section contains four small images: a street scene with a blue sculpture, a building with a mural, a street view with trees, and two people walking on a sidewalk.