



CITY OF CHARLOTTESVILLE
OPERATING & CAPITAL IMPROVEMENT
BUDGET
Proposed for the Fiscal Year
2022/2023



April 7, 2022

FY 2023 BUDGET DEVELOPMENT FINAL WORKSESSION

FY 2023 Revenue Amendments

Revised Projections

Manager's Recommended FY 23 Revenue Estimates	\$ 216,171,432
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Amendments to FY 23 Revenue Estimates

Decrease Revenues

Taxes

Real Estate Tax (\$0.10 Tax increase)	(9,207,167)
Virginia Communications Sales and Use Tax	(75,000)

Increase Revenues

Taxes

Personal Property Tax (using current rate of \$4.20/\$100)	2,000,000
Utility Taxes	100,000
Sales & Use Tax	900,000
Transient Room Tax	500,000
Meals Tax	25,026

Licenses and Permits

Business & Professional Licenses	300,000
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Total Revenue Amendments	\$ (5,457,141)
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Total Amended FY 23 General Fund Revenue Estimates	\$ 210,714,291
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Potential CIP Amendments

School Reconfiguration Project

	Debt Scenarios	
Bond Funding Scenarios for School Reconfiguration	\$ 54,000,000	\$ 50,000,000
<u>Potential Additional Cash Funding</u>		
FY 2021 Year-End Surplus	\$ 6,700,000	\$ 6,700,000
Potential ARP Funding from Schools	\$ 7,500,000	\$ 7,500,000
Other Cash Source	\$ 600,000	\$ 4,600,000
Total Other Cash Sources Identified to Date	\$ 14,800,000	\$ 18,800,000
Total Project Funding	\$ 68,800,000	\$ 68,800,000
Annual Incremental Debt Service Transfer Increase - 3 years	\$ 1,947,112	\$ 1,855,154
Lump Sum Debt Service Transfer Increase	\$ 5,101,674	\$ 4,869,779
FY 2023 Tax Increase Equivalent*	\$0.0550	\$0.0525

Potential CIP Amendments

Council Considerations

+\$4.9M

Transportation and Access

- Stribling Avenue Sidewalk
- Meadowcreek Trail – Section 3

-\$6.2M

Education

- School Reconfiguration Project – from \$75M to \$68.8M

+\$4.95M

Affordable Housing

- PHA – MACAA Apartments - \$3M
- PHA – Park Street Apartments - \$1.95M

Budget Calendar

**April 12: Budget Approval by City Council,
5:30pm**

Council Amendment Considerations

	<u>Council Approval Date</u>	<u>April 12, 2022</u>	<u>Anytime</u>	<u>November/December 2022</u>
	<u>FY 2023 Amendments</u>	<u>CIP Contingency</u>	<u>PROJECTED FY 2022 Revenue Budget Surplus</u>	
Potential Funding Available (assumes NO change in current tax rates)	\$ 3,750,026	\$ 11,433,191	\$ 12,440,304	
Remaining Balance - after allocations noted below	\$ -	\$ -	\$ 670,271	

Tax Changes

Small Increase in lodging Tax - Council Action Required - did not advertise therefore this would be a future consideration			
Personal Property Tax Rate - No Change - ASSUMED - \$2M already included in \$3.75M above			
Personal Property Tax Rate Change - \$1M revenue increase - Council Action Required to reduce the rate, \$1M Budget Amendment reducing \$3.75M above			
Personal Property Tax Rate Change - Equalized as budgeted - Council Action Required to reduce the rate, no budget amendment needed			
Increased Real Estate Tax (\$0.01 to \$0.03) - Council Action Required - would allocate a portion of the \$9.2M currently unallocated currently in the budget and reduce the total General Fund Budget by any amount not allocated. No change for Column B and an increase for the expected surplus amount in Column D.	(925,000)		
Increased Meals Tax - Council Action Required - would increase \$3.75M in Column B by \$1.2M for a total \$4.95M that could be used to amend the FY 2023 budget	(1,250,000)		
Institution of a plastic bag tax - future consideration			
<u>Agency and VCF Changes</u>			
AHIP - additional funding	75,000		
PHAR Internship Program - additional funding	10,050		
Jefferson School African American Heritage Center - add'l funding	0.00		
Piedmont CASA - additional funding	3,500		
C4K - additional funding	0.00		
C4K - additional funding using ARPA	0.00		
Tree Commission - additional funding - xfer to CIP	25,000		
CRHA - additional funding	0.00		
Need for declared use/designation of each increase	0.00		
Public Defender - Additional Funding	20,000		
Additional Funding for ReadyKids Early Education Program	25,946		
Reimbursing CRHA for PILOT paid to the City - \$20k	20,000		
Fully Fund Drug Court and Therapeutic Docket and make contractual	27,892		

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<u>City Manager Amendments to FY 2023 Budget</u>				
<i>The Paramount Theater</i>	7,500			
<i>Festival of Cultures</i>	(2,160)			
<i>Housing Coordinator Position Upgrade</i>	55,514			
<i>Procurement - Restore Funding for 1 FTE - Buyer</i>	81,355			
<i>Sheriff - Vehicle Replacement (1)</i>	46,500			
<u>City Manager One-Time Considerations - FY 2022 Surplus Potentials</u>				
<i>DSS - Software Replacement - Foster Care Payments - City Match</i>				150,000
<i>Procurement eSourcing Software</i>				100,000
<i>2 Additional Buses - Route 6 Equity Initiative</i>				1,000,000
<i>SAFER Grant Match - Adjusted for FY 22 Mid-year and FY 23 Proposed Merit</i>				2,109,000
<u>CIP Considerations</u>				
<i>\$68.8M School Reconfiguration with \$54M Bonds</i>				
<i>\$68.8M School Reconfiguration with \$50M Bonds</i>				
<i>\$68.8M School Reconfiguration with 3 year Debt Service Increase</i>				
<i>\$68.8M School Reconfiguration with 1 time tax increase for Debt Service Increase</i>				
<i>Meadow Creek Trail - ARPA potential?</i>				
<i>Inflationary Increases for the cost of CIP</i>				
<u>City Manager Presented Scenario - March 31st</u>				
<i>School Reconfiguration - \$54M Bond Scenario (1st year of Add'l Debt Service)</i>	1,947,112			
<i>School Reconfiguration - \$54M Bond Scenario (Cash Contribution - FY 2021 Surplus)</i>		6,700,000		
<i>School Reconfiguration - \$54M Bond Scenario (Additional Cash Needed to get to \$68.8M)</i>				600,000
<i>School Reconfiguration - \$54M Bond Scenario (Years 2 of Add'l Debt Service)</i>				1,947,112
<i>School Reconfiguration - \$54M Bond Scenario (Years 3 of Add'l Debt Service)</i>				1,947,112
<i>PHA Projects - Cash Funded</i>		4,733,191		216,809
<i>Meadowcreek Trail - Section 3</i>				700,000
<u>Internal Capacity</u>				
<i>CAT - additional funding 30 minute routes</i>				2,000,000

Council Amendment Considerations

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Addition of 1 FTE as a Grants/IG Specialist - ? ARPA funding potential	120,000			
Office of Diversity, Equity, and Inclusion - Additional Funding	300,000			
Commissioner of Revenue - Tax Specialist I	60,528			
Climate Action Planning	150,000			
Affordable Housing Administrative Capacity	175,000			
Budget Office Capacity including additional Analyst	126,822			
MARCUS Alert system/other criminal justice reform	100,000			
Collective Bargaining	0			
Wage & Compensation study	0			
City Manager Fund				1,000,000
PW Engineering	325,000			
Tax Relief - additional funding	250,000			
Transfer to CIP Contingency	1,974,467			
<u>Continued Capacity Building - Future Initiatives</u>				
Revisit VCF process and reporting				
Future Funding needs for CAT, Housing and Climate Action Planning				
Future phases of public housing redevelopment				
Reconfiguration for Walker Project				
Additional Funding to support Homelessness efforts and a defined housing obligation in terms of AMI				
Solutions and Measurements				