

Budget Highlights

Fiscal Year 2025 Operating Budget

The following are highlights of the Adopted Operating Budget for Fiscal Year 2025 and the Adopted Capital and Special Projects Plan for Fiscal Years 2025 through 2029.

General Fund

The total Fiscal Year 2025 General Fund budget is \$164,575,710. This is \$24,877,460 (17%) more than the Fiscal Year 2024 budget.

	ADOPTED BUDGET	ADOPTED BUDGET	Increase (Decrease)
	FY2024	FY2025	
Revenues			
General Property Tax			
Real Estate Tax	\$19,900,000	\$22,268,240	2,368,240
Personal Property Tax	\$14,847,910	\$17,009,440	2,161,530
Machine & Tools Tax	\$1,802,500	\$1,955,000	152,500
Public Service Taxes	\$577,000	\$646,000	69,000
Regional Partnership	\$350,000	\$355,600	5,600
Penalties & Interest	\$825,000	\$914,000	89,000
Other Property Tax	\$328,320	\$331,000	2,680
GENERAL PROPERTY TAX TOTAL	\$38,630,730	\$43,479,280	4,848,550
Other Local Taxes			
Local Casino Tax	\$13,000,000	\$25,000,000	12,000,000
Local Sales Tax	\$11,400,000	\$13,000,000	1,600,000
Business & Occupancy License	\$6,800,000	\$7,642,000	842,000
Prepared Meals Tax	\$10,867,220	\$12,100,000	1,232,780
Utility Consumption Tax	\$180,000	\$180,000	0
Consumer Utility Tax	\$750,000	\$750,000	0
Hotel/Motel Tax	\$2,467,230	\$3,525,000	1,057,770
Auto License Registration	\$1,000,000	\$1,025,000	25,000
Bank Stock Tax	\$1,000,000	\$1,100,000	100,000
Other Local Taxes	\$485,980	\$630,800	144,820
OTHER LOCAL TAXES TOTAL	\$47,950,430	\$64,952,800	17,002,370
Licenses, Permits, Privilege Fee	\$424,040	\$571,060	147,020
Fines/Forfeiture	\$320,240	\$258,000	(62,240)
Revenue-Use Money/Property	\$1,968,270	\$3,255,050	1,286,780
Charges for Services	\$3,097,860	\$3,433,715	335,855
Miscellaneous Revenue	\$26,000	\$225,100	199,100
Recovered Cost	\$8,897,070	\$9,732,330	835,260
Non-Revenue Receipts	\$0	–	0
Non-Categorical Aid State	\$5,378,900	\$5,580,000	201,100
Shared-Categorical State	\$6,021,050	\$6,795,830	774,780
Categorical Aid State	\$10,250,110	\$9,872,375	(377,735)
Transfers In	\$15,588,000	\$15,588,000	0
Transfer from Fund Balance	\$1,145,550	\$832,170	(313,380)
REVENUES TOTAL	\$139,698,250	\$164,575,710	24,877,460

Following is a description of increases or decreases in each major revenue source:

- **Real Estate Taxes** - There is a \$0.01 per \$100 of assessed value decrease in real estate tax rate proposed. This budget estimates an increase of \$2,368,240 in current and delinquent real estate tax revenues based on increased assessed values.
- **Personal Property Tax** – A \$0.15 decrease to \$3.45 per \$100 of assessed value is proposed. Current and delinquent property tax revenues are projected to increase for by \$2,161,530.
- **Machinery & Tools Tax** – This revenue is projected to increase by \$152,500.
- **Other Local Taxes** - Sales tax is projected to increase significantly as result of state legislation requiring internet sales to be taxed. The estimated increase is \$1,600,000. Business & Occupancy License is projected to increase \$842,000 for the anticipated fees from the casino. Meal's tax is projected to increase by \$1,232,780 due to economic growth in the area. A Hotel/Motel occupancy flat rate increase from \$2 per night to \$3 per night is proposed. The total projected increase is \$1,057,770. Approximately \$25 million is anticipated from State and local gaming taxes with the opening of the permanent casino.
- **License, Permits, Privilege** – There is an increase of \$147,020 due to fee increases in Inspections and Planning along with the addition of a new fee for Short Term Rental permits.
- **Revenue from the use of Money/Property** – Interest rates have increased, and this revenue category reflects that with an estimated increase of \$1,286,780.
- **Charges for Services** - This category reflects an overall increase of \$335,855. Juvenile Detention Charges for Detention reflects a increase of \$354,250 while City Jail reflects a decrease of \$67,000. Parks and Recreation Department fees reflect increases.
- **Recovered Cost** – This category reflects an overall increase. Customer Accounting reflects an increase of recovered cost from Utilities of \$255,250 mainly due to the increases in personnel costs, maintenance service contracts, and credit card charges.
- **Non-Categorical Aid** – The category reflects an increase in State Aid to Localities – 599 (Police) of \$200,000.
- **State Aid – Categorical** – This category reflects a decrease in Social Service Administrative reimbursement.
- **Transfers In** - The transfers from Utilities remain unchanged from the prior year's budget.
- **Transfer from Unreserved Fund Balance** – A transfer in from Unreserved Fund Balance of \$832,170 is proposed to fund one-time capital and special projects.

Expenditures

ADOPTED BUDGET		ADOPTED BUDGET	
	FY2024	FY2025	Increase (Decrease)
Expenses			
Personnel Services	\$53,121,720	\$55,918,274	2,796,554
Employee Benefits	\$18,250,230	\$21,297,892	3,047,662
Purchased Services	\$9,605,890	\$10,932,768	1,326,878
Internal Service	\$5,051,050	\$5,271,460	220,410
Contribution Other Entity	\$2,879,710	\$3,133,830	254,120
Public Assistance	\$2,598,320	\$1,401,580	(1,196,740)
Other Operating Expense	\$8,184,710	\$9,808,734	1,624,024
Cost Allocation	\$1,552,150	\$1,843,510	291,360
Capital Outlay	\$1,602,160	\$1,778,876	176,716
Debt Service	\$6,631,100	\$7,596,590	965,490
Labor Expense Cross	\$87,530	\$55,670	(31,860)
Reimbursement	(\$1,442,900)	(\$1,532,927)	(90,027)
Transfer Out	\$31,437,880	\$46,855,003	15,417,123
Contingency Appropriation	\$138,700	\$214,450	75,750
EXPENSES TOTAL	\$139,698,250	\$164,575,710	24,877,460

Changes in major expenditures are summarized as follows:

- **Personnel Services** – This increase is based on Pay-for-Performance which was budgeted in Non-Departmental Salary Adjustments and additional personnel (see details in the All Funds section of Budget Highlights).
- **Employee Benefits** – The increase is due to the rising cost of health insurance and, workers compensation and higher contribution rates for the Employees' Retirement System (see details in the All Funds section of Budget Highlights).
- **Purchased Services** – This category increased due to the following:
 - **Maintenance Service Contracts** – The increase in this line item is for increases in Information Technology, Police Department (various contracts), Fire Department (various contracts), and Tourism (various contracts and Tourism website)
 - **Advertising & Marketing** – The increase in this category is due to the development and expansion of Economic Development Tourism. Some anticipated expenditures include multimedia marketing, trade show booth advertisement, ambassador development expenses, public relations, and content development.
 - **Outside Purchased Services** – Increases in this category include Information Technology (server migrations), Fire (comprehensive physicals for accreditation), Public Works (Municipal building security contract), Visitor Center (cleaning services).
- **Other Operating Expense** – Several expenses have increased in this category due to the effects of inflation. Impacted accounts include, but are not limited to, telephone/internet, general liability insurance, credit card charges. Additionally, the municipal code update and rent for the new Police headquarters contribute to the total increase.
- **Capital Outlay** – This category includes the following:
 - **Machinery/Equipment Purchases** – Besides the impact of higher costs related to inflation, this line increased due to cost to replace old equipment.
 - **Technology Equipment** – This line increased due the replacement of computer hardware, which is done on a rotating basis.
- **Transfer Out** – This category includes the following:
 - **Transfer Out to Capital** – Capital projects will be funded with additional anticipated revenues.
 - **Economic Development Incentives** – Economic development incentives will be funded with additional anticipated revenues.
 - **Transfers Out to Motorized Equipment Fund** – The City Code requires the General Fund cover deficits in enterprise funds when there is insufficient unreserved fund balance. The Motorized Equipment has been operating in the deficit for several years.
 - **Transfer Out to Schools** – The City support to Schools reflects an increase of \$2,480,420. The increase will go towards providing the local share for State salary and benefits increases and support for the Early College/Dual Enrollment program.
 - **Transfer Out to Retirement System** – The City's financial policies allow a lump-sum bonus to qualified retirees in the event certain criteria are met. The criteria was met to pay out a bonus in FY2024. **The criteria was not met for FY2025.**

All Funds

Following are schedules that are not fund specific. This section includes:

- New or Increased Fees
- Capital and Special Projects Plan Summary
- Pay-for-Performance Summary
- Employees' Retirement System Contribution Changes
- Debt Service

New or Increased Fees

The following new fees or fee increases are included in anticipated revenues:

General Fund Community Development Department

Description	Current	Proposed	Change	Revenue Impact
Planning Commission - application, special use, code amendment	\$ 360.00	\$ 400.00	\$ 40.00	\$ 2,400.00
Zoning Clearance	11.00	20.00	9.00	2,700.00
Board of Zoning Appeals application	206.00	250.00	44.00	5,280.00
Short Term Rental		50.00	50.00	10,500.00
Building, Electrical, Mechanical, Plumbing, Sign permit - minimum	42.00	50.00	8.00	2,690.00
Investigation (work without permit)	72.00	200.00	128.00	7,680.00
After hours inspection	57.00	100.00	43.00	430.00
Minimum plan review (Commercial)	31.00	50.00	19.00	460.00
Plan Review - Residential Addition	26.00	50.00	24.00	4,030.00
Plan Review - Residential New	52.00	100.00	48.00	6,910.00
Demolition (Wrecking)	52.00	100.00	48.00	2,300.00
Relocation (moving of any structure)	78.00	100.00	22.00	1,010.00
Temporary Certificate of Use & Occupancy	31.00	100.00	69.00	830.00
Permanent Certificate of Use & Occupancy	31.00	50.00	19.00	950.00
Change of Use Survey	42.00	50.00	8.00	80.00
Additional Inspection (Re-inspection)	29.00	50.00	21.00	420.00
				\$ 48,670.00

Sanitation Fund Public Works Department

Description	Current	Proposed	Change	Revenue Impact
Residential Solid Waste Collection	\$ 17.50	\$ 18.50	\$ 1.00	\$ 164,640.00
Commerical Solid Waste Collection	3.00	4.00	1.00	240,120.00
				\$ 404,760.00

Cemetery Operations Public Works Department

Description	Current	Proposed	Change	Revenue Impact
Adult Grave (Includes Perpetual Care)	\$ 849.00	\$ 1,300.00	\$ 451.00	\$ 100,570.00
Child Grave (Includes Perpetual Care)	335.00	600.00	265.00	1,330.00
Adult Grave - Open/Close	797.00	1,100.00	303.00	72,110.00
Child Grave - Open/Close	412.00	500.00	88.00	180.00
Adult Grave - Open/Close - Overtime	952.00	1,500.00	548.00	81,650.00
Child Grave - Open/Close - Overtime	515.00	700.00	185.00	190.00
Mausoleum Service	438.00	550.00	112.00	110.00
Mausoleum Service - Overtime	525.00	750.00	225.00	230.00
Cremated Service	438.00	600.00	162.00	3,560.00
Cremated Service - Overtime	525.00	800.00	275.00	8,800.00
Columbarium Niche	849.00	1,500.00	651.00	1,300.00
Columbarium - Opening	412.00	400.00	(12.00)	(30.00)
Columbarium - Service	438.00	400.00	(38.00)	(80.00)
Adult - Disinterment/Reinterments	797.00	1,500.00	703.00	1,410.00
Child - Disinterment /Reinterments	412.00	1,100.00	688.00	1,380.00
Double Depth (First Opening)	206.00	200.00	(6.00)	(10.00)
Transfer Of Ownership	103.00	100.00	(3.00)	(40.00)
Late Notification	103.00	100.00	(3.00)	-
Dirt Sale (Pickup Truck Load)	10.00	10.00	-	-
Monument Permit	103.00	150.00	47.00	12,410.00
Vault Permit	309.00	350.00	41.00	14,720.00
				\$ 299,790.00

Capital and Special Projects Plan Summary

Below is a chart showing a summary for Capital & Special Projects for Fiscal Year 2025 by funding source.

FUNDING SOURCES	
	FY2025
Revenues	
Aid to Localities - VA Fire Program	\$165,000
Bonds	\$16,000,000
IDA BANs	\$7,961,200
Casino Revenue	\$14,958,653
Contribution-in-Aid	\$50,000
Federal Grants	\$15,880,200
General Fund Balance	\$990,000
General Fund Revenues	\$100,000
Rebates	\$4,458,323
Reprogrammed Funds	\$495,978
State Grants	\$6,235,186
To Be Determined	\$280,000
Utility Fund Revenues	\$600,000
REVENUES TOTAL	\$68,174,540

Pay-for-Performance Summary

This budget provides for continued funding of the Pay-for-Performance salary increases. At the end of the current fiscal year, employees will be evaluated against established standards and given pay increases based on their performance. Employees on probation or with less than one year of service to the City are not eligible for a performance increase. The Proposed Budget includes funding for an average 5% pay-for-performance salary increase pending City Council approval of the budget. Each fund will be impacted as shown on the chart below.

ADOPTED	
	FY2025
Expenses	
General Fund	\$2,041,197
VDOT Special Revenue Fund	\$201,789
Central Services Fund	\$6,013
Motorized Equipment Fund	\$59,616
Wastewater Fund	\$53,480
Water Fund	\$112,230
Gas Fund	\$82,861
Electric Fund	\$289,351
Telecommunications Fund	\$9,287
Transportation Fund	\$94,891
Solid Waste Fund	\$82,944
Cemetery Operations Fund	\$31,904
EXPENSES TOTAL	\$3,065,563

Employees' Retirement System Contribution Changes

The budget includes an increase to the current retirement rate. The chart below reflects the increase by fund.

<u>Fund</u>	<u>Change</u>
General Fund	\$ 691,560
VDOT	39,100
Central Services	1,280
Motorized Equipment	11,500
Transportation	16,110
Sanitation	20,030
Cemetery	5,300
Wastewater	11,550
Water	22,240
Gas	17,090
Electric	61,560
Telecommunications	2,260
Total	<u>\$ 899,580</u>

Debt Service

The table below shows the changes in debt service for Fiscal Year 2025.

	ADOPTED BUDGET	ADOPTED BUDGET	
	FY2024	FY2025	Increase (Decrease)
Expenses			
General Fund			
Social Services	\$29,310	\$29,110	(200)
Accounting-Debt Service Adm	\$3,704,580	\$4,928,990	1,224,410
Police	\$845,000	\$546,890	(298,110)
Juvenile Detention Facility	\$171,520	\$173,820	2,300
Support of/Transfer to/Schools	\$1,874,690	\$1,877,780	3,090
GENERAL FUND TOTAL	\$6,625,100	\$7,556,590	931,490
Motorized Equipment Fund			
Motorized Equip Capital Outlay	\$0	\$128,575	128,575
Motorized Equip Debt Service	\$0	–	0
MOTORIZED EQUIPMENT FUND TOTAL	\$0	\$128,575	128,575
Wastewater Fund			
Wastewater Administrative Srv	\$35,800	\$28,510	(7,290)
PW/Sanitation Debt Service	\$10,500	\$10,940	440
Wastewater Debt Service & Adm	\$142,430	\$149,430	7,000
P/W Sanitation Sewer Mainten	\$7,270	\$6,740	(530)
WASTEWATER FUND TOTAL	\$196,000	\$195,620	(380)
Water Fund			
Water Fund Administration	\$0	–	0
Administrative Services-Water	\$37,500	\$0	(37,500)
Water Administrative Services	\$203,770	\$181,870	(21,900)
Water Debt Service & Admin	\$0	–	0
Industrial Water Debt Serv	\$140	\$303,120	302,980
Water Plant Debt Service	\$242,460	\$254,110	11,650
Water Treatmt Operations-Indst	\$258,310	\$186,050	(72,260)
WATER FUND TOTAL	\$742,180	\$925,150	182,970
Gas Fund			
Administrative Service-Gas	\$23,850	\$19,090	(4,760)
Gas Debt Service & Admin	\$93,030	\$97,590	4,560
GAS FUND TOTAL	\$116,880	\$116,680	(200)
Electric Fund			
P&L Administrative Services	\$2,374,200	\$1,750,460	(623,740)
Electric Reg. Capital Maint	\$248,740	\$287,642	38,902
Electric Debt Service & Admin	\$3,627,660	\$4,499,660	872,000
ELECTRIC FUND TOTAL	\$6,250,600	\$6,537,762	287,162
Solid Waste Fund			
Composting	\$30,000	\$80,000	50,000
Sanitation-Debt Service	\$0	–	0
SOLID WASTE FUND TOTAL	\$30,000	\$80,000	50,000
EXPENSES TOTAL	\$13,960,760	\$15,540,377	1,579,617

The table above does not include the City's share of debt service for the Danville-Pittsylvania Regional Industrial Facility Authority. These amounts total \$270,136 and \$106,100 for Fiscal Years 2024 and 2025, respectively.