



CITY COUNCIL AGENDA April 11, 2023

J. Lloyd Snook, III, Mayor
Juandiego Wade, Vice Mayor
Michael K. Payne, Councilor
Brian R. Pinkston, Councilor
Leah Puryear, Councilor
Kyna Thomas, Clerk

5:30 PM SPECIAL MEETING

The public may register in advance for the Zoom webinar at www.charlottesville.gov/zoom or view on the City's streaming platforms and local government Channel 10. Registration is available for a lottery-based seating selection in Council Chamber at www.charlottesville.gov/1543/Reserve-a-Seat-for-City-Council-Meeting or by contacting the Clerk of Council office at clerk@charlottesville.gov or 434-970-3113. Individuals with disabilities who require assistance or special arrangements to participate in the public meeting may call (434) 970-3182 or submit a request via email to ada@charlottesville.gov. The City of Charlottesville requests that you provide a 48-hour notice so that proper arrangements may be made.

Call to Order/Roll Call

Agenda Approval

Action Items

1. Ordinance: FY2024 City Budget and Annual Tax Levy for Tax Year 2023
 - a. Ordinance: Establishing the Annual Tax Levy for Tax Year 2023 (2nd reading)
 - b. Ordinance: Approving a budget and annual appropriation of funding for the City of Charlottesville for the Fiscal Year ending June 30, 2024 (2nd reading)
2. Resolution: Establishing 2023 Tax Year Personal Property Tax Relief Percentage (1 reading)

Adjournment

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



| | |
|-------------------------|---|
| Agenda Date: | April 11, 2023 |
| Action Required: | Approval of Appropriation and Ordinance |
| Presenter: | Michael Rogers, City Manager, Krisy Hammill, Director of Budget |
| Staff Contacts: | Krisy Hammill, Director of Budget |
| Title: | FY2024 City Budget and Annual Tax Levy for Tax Year 2023 |

Background

Pursuant to Section 5 of the Charter of the City of Charlottesville, and Virginia Code Title 15.2, Chapter 25, a proposed budget was prepared by the City Manager and presented to City Council for consideration. After public notice was given in accordance with the law, public hearings were conducted by City Council on the City Manager's proposed budget and on the proposed equalized tax rate to be adopted in order to levy taxes in support of the adopted budget, Council is required to vote on these matters.

Discussion

Following the public hearings, City Council may deliberate and consider any additions, deletions or modifications of the items presented within the City Manager's proposed budget, and consider the proposed annual tax rates. City Council must consider and vote upon three items:

1. Ordinance approving the FY-2024 Budget and Annual Appropriation,
2. Ordinance Establishing the Annual Tax Levy for Tax Year 2023, and
3. Resolution Establishing the Personal Property Tax Relief Percentage for Tax Year 2023 [a separate agenda memo and Resolution provided by Commissioner Divers will be presented at the Special Meeting to be held on April 11, 2023].

Note the Budget Ordinance authorizes a total General Fund Budget of \$230,390,146, a difference of \$4,150,991 from the \$226,239,155 presented in the City Manager's Proposed Budget. \$1,956,900 of the difference represents the estimated account balances shown in the table below that are projected to remain unspent as of June 30, 2023 which will be authorized for expenditure during FY 24 and \$2,194,091 represents the total amendments made by Council to the Proposed Budget as part of the its final deliberations.

City Council amendments to the City Manager's Proposed Budget are as follows:

| | |
|---|----------------|
| Total FY 24 City Manager Proposed General Fund Expenditures | \$ 226,239,155 |
|---|----------------|

| | | |
|---|---------|----------------|
| Historic Resources | 49,839 | |
| Sister City | 43,748 | |
| Citywide Reserve | 500,000 | |
| Council Strategic Initiatives | 394,436 | |
| DEI | 197,181 | |
| Grand Illumination | 3,550 | |
| Councilor Discretionary Funds | 5,000 | |
| Minority Business Fund | 12,604 | |
| Job Fair | 54,019 | |
| Police Civilian Oversight Board (Original Start-up Funding) | 196,523 | |
| City Manager Fund ** | 500,000 | |
| | | \$ 1,956,900 * |

| | |
|--|--------------|
| City Council Amendments to Proposed Budget | \$ 2,194,091 |
|--|--------------|

| | |
|--|----------------|
| Total General Fund Budget Authorized per the Ordinance | \$ 230,390,146 |
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***Reflects amendment to April 3rd Memo*

Alignment with City Council's Vision and Strategic Plan

Alignment with Council's Vision and Strategic Plan are highlighted throughout the City Manager's Proposed Budget.

Community Engagement

Council has held a series of budget work sessions and public hearings on the City Manager's Proposed Budget throughout the month of March. There is one remaining work session will be held on April 6, 2023, 6:00 PM at City Space. The public will have the opportunity to provide comments to City Council on the budget at the end of that work session.

Budgetary Impact

Council approval of these items will set forth the tax rates and government spending plans for the 2024 fiscal year (July 1, 2023 - June 30, 2024).

Recommendation

Staff recommends Council approve the FY 2024 Budget and 2023 tax rates as set forth in the attached ordinance and appropriation.

Alternatives

Attachments

1. Tax ORDINANCE
2. FY 24 Budget Appropriation_SECOND READING
3. Amendments_FY24 Approved_Budget

ORDINANCE
To Establish the Annual Tax Levy for Tax Year 2023

BE IT ORDAINED by the Council of the City of Charlottesville **THAT** in order to pay the general operating expenses of the City, including local support for the City's schools; to provide funding for other public purposes; and to pay interest on and to provide funding for retirement of City debt, taxes are hereby levied at the rates set forth within this Ordinance, for the current Tax Year (beginning at midnight on January 1, 2023 and ending December 31, 2023), and for each succeeding Tax Year during which this Ordinance continues in effect:

1. Section 1—Real Property and Mobile Homes

On real estate, including land and improvements thereon and mobile homes, the tax rate shall be \$0.96 on every \$100 of the assessed value thereof.

2. Section 2—Personal Property

On all automobiles, trucks, motorcycles and other motor vehicles; boats and aircraft; and on all tangible personal property used or held in connection with any mining, manufacturing, or other business, trade, occupation or profession (excluding furnishings, furniture and appliances in rental units of 30 days or longer) the tax rate shall be \$4.20 on every \$100 of the assessed value thereof.

3. Section 3—Public Service Corporation Property

(a) On that portion of the real estate and tangible personal property of public service corporations which has been equalized as provided in Sec. 58.1-2604 of the Virginia Code, the tax rate shall be \$0.96 on every \$100 of the assessed value thereof determined by the Virginia State Corporation Commission, and

(b) Notwithstanding the foregoing, on automobiles and trucks belonging to public service corporations, the tax rate shall be \$4.20 on every \$100 of the assessed value thereof.

4. Section 4—Machinery and Tools

On machinery and tools used in a manufacturing or mining business, the tax rate shall be \$4.20 on every \$100 of the assessed value thereof.

5. Section 5—Energy Efficient Buildings

On energy efficient buildings the tax rate shall be \$0.48 on every \$100 of the assessed value thereof, subject to the limitations set forth within Chapter 30, Article V, Division 4 of the Code of the City of Charlottesville (1990), as amended, and applies only to buildings and not to the land on which such buildings are located.

BE IT FURTHER ORDAINED THAT the Ordinance adopted April 12, 2022 establishing local tax rates for the Tax Year beginning January 1, 2022 and ending on December 31, 2022 is hereby repealed, effective at midnight on January 1, 2023.

ORDINANCE
APPROVING A BUDGET AND ANNUAL APPROPRIATION OF FUNDING
FOR THE CITY OF CHARLOTTESVILLE FOR THE FISCAL YEAR ENDING
JUNE 30, 2024

Section 1. Approval of the FY-2024 Budget

The City Manager submitted to the City Council a proposed budget for the fiscal year commencing July 1, 2023, as deemed necessary for the provision of City services.

A duly advertised public hearing was held on April 03, 2023. Thereafter, the City Council may review and make revisions to the proposed budget, which contains an itemized and classified plan of all contemplated expenditures, and all estimated revenues and borrowings for the City, for the fiscal year ending June 30, 2024 (“FY-2024”), including reasonable reserves for contingencies and capital improvements. The FY-2024 Budget also sets forth capital expenditures for vehicles, equipment, public street improvements and other transportation projects, and the means of financing them, for capital expenditures to be undertaken in FY-2024 and in a period of the next four (4) fiscal years. NOW, THEREFORE

BE IT ORDAINED by the Council of the City of Charlottesville that the final Budget for the Fiscal Year commencing on July 1, 2023 and ending June 30, 2024 (“FY-2024 Budget”) is hereby approved, containing total estimated expenditures in the amount of **\$633,417,534**.

Section 2. Annual Appropriation

BE IT ORDAINED by the Council of the City of Charlottesville that the annual GENERAL FUND (Fund 105) budget for Fiscal Year 2024 shall be \$230,390,146. City Council further ordains that an appropriation of \$230,390,146 be made in the General Fund, as more particularly set forth below:

Operating Expenditures

Management

| | |
|--|-----------|
| Mayor and City Council | 982,822 |
| Office of the City Manager/Administration/Budget and Performance | 2,412,671 |
| Office of the City Manager/Communications | 904,190 |
| Office of the City Manager/Economic Development | 708,955 |
| Office of the City Manager/Community Solutions | 928,432 |
| Office of the City Manager/Office of Equity and Inclusion | 815,383 |
| Office of the City Manager/Home to Hope | 368,124 |
| Office of the City Manager/Job Center | 204,718 |
| Office of the City Manager/Emergency Management | 499,143 |
| Office of the City Attorney | 1,068,506 |
| Office of General Registrar | 708,412 |

Contributions to Organizational Memberships and Workforce Development Programs

| | |
|---|--------|
| Virginia Municipal League | 20,000 |
| Chamber of Commerce | 15,000 |
| Thomas Jefferson Planning District Commission | 98,881 |
| Virginia Career Works - Piedmont Region | 10,215 |
| Virginia Institute of Government | 2,500 |
| Alliance for Innovation | 2,550 |
| Virginia First Cities Coalition | 18,200 |
| Central Virginia Partnership for Economic Development | 25,539 |
| Thomas Jefferson Soil and Water Conservation District | 13,440 |
| Central Virginia Small Business Development Center | 27,215 |
| Rivanna Conservation Alliance | 15,000 |
| National League of Cities | 5,000 |
| Community Investment Collaborative | 23,000 |
| Center for Nonprofit Excellence | 1,000 |

Non Departmental Activities

| | |
|---|------------|
| City Strategic Plan/P3: Plan, Perform, Perfect | 130,000 |
| Participatory Budgeting | 15,000 |
| Virginia Juvenile Community Crime Control Act (Local Match) | 108,415 |
| Citizen Engagement Opportunities | 15,000 |
| Food Equity | 155,000 |
| Innovation Fund | 20,000 |
| Sister City Committee | 58,748 |
| Performance Agreement Payments | 300,000 |
| Citywide Reserve | 764,210 |
| Ivy Landfill | 500,000 |
| Transfer to Debt Service Fund | 10,671,584 |
| Transfer to Fund Balance Target Adjustment Fund | 500,000 |
| Employee Compensation and Training | 3,751,002 |

Internal and Financial Services

| | |
|---|-----------|
| Finance Department - Administration/Purchasing/Assessor | 3,022,983 |
| Human Resources | 1,869,836 |
| Commissioner of Revenue | 1,598,332 |
| Treasurer | 1,688,697 |
| Information Technology | 4,101,178 |

Healthy Families and Community

| | |
|---|-----------|
| Transfer to Children's Services Act Fund | 1,904,722 |
| Transfer to Social Services Fund | 3,602,777 |
| Transfer to Human Services/Community Attention Fund | 1,506,362 |
| Neighborhood Development Services | 3,022,922 |
| Office of Human Rights/Human Rights Commission | 487,553 |

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|---|------------|
| Police Civilian Oversight Board | 674,973 |
| Parks and Recreation | 12,896,374 |
| Transfer to Golf Course Fund | 0 |
| Transfer to Convention and Visitors' Bureau | 1,354,258 |

Community Events and Festivals

| | |
|--------------------------------------|--------|
| Virginia Film Festival | 13,500 |
| Virginia Festival of the Book | 11,585 |
| Charlottesville Festival of Cultures | 2,100 |
| City Supported Events (Other) | 15,000 |

Contributions to Children, Youth, and Family Oriented Programs

| | |
|---|-----------|
| Big Brothers/Big Sisters | 46,000 |
| Birth Sisters | 46,000 |
| Boys and Girls Club | 62,100 |
| The BridgeLine | 44,620 |
| Charlottesville Abundant Life Ministries | 9,200 |
| Blue Ridge Health Department | 674,940 |
| Charlottesville Free Clinic | 119,404 |
| Computers 4 Kids | 14,720 |
| Pathways - Emergency Assistance Program Support | 1,000,000 |
| Foothills Child Advocacy Center | 46,493 |
| Fountain Fund | 23,000 |
| Child Health Partnership | 280,500 |
| Jefferson Area Board for Aging (JABA) | 335,152 |
| Local Food Hub | 12,746 |
| MACAA | 16,560 |
| Music Resource Center | 10,500 |
| On Our Own | 6,900 |
| Partner for Mental Health | 21,000 |
| Piedmont Family YMCA | 61,200 |
| ReadyKids | 154,299 |
| Region Ten Community Services Board | 1,180,092 |
| Sexual Assault Resources Agency (SARA) | 23,100 |
| Shelter for Help in Emergency (SHE) | 171,169 |
| Sin Barreras | 12,848 |
| United Way - Thomas Jefferson Area | 192,504 |
| Virginia Cooperative Extension Program | 72,476 |
| Women's Initiative | 35,000 |
| Public Housing Association of Residents (PHAR) | 40,000 |
| Loaves and Fishes Food Pantry, Inc | 45,000 |
| Reclaimed Hope House | 90,000 |
| Central Virginia Clinicians of Color Network | 28,000 |
| Social and Environmental Entrepreneurs | 35,000 |
| New Hill Development | 52,500 |
| 100 Black Men of Central Virginia | 19,665 |
| City of Promise, Inc | 69,000 |
| The Buck Squad | 161,000 |

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|-----------------------------------|---------|
| Welcoming Greater Charlottesville | 3,300 |
| Love No Ego Foundation | 4,400 |
| Wartime Fitness Heros | 27,500 |
| Violence Prevention Programs | 200,000 |

Contributions to Education and the Arts

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|---|-----------|
| City Center for Contemporary Arts | 63,157 |
| Historic Preservation Task Force | 54,839 |
| Jefferson Madison Regional Library | 2,134,657 |
| Jefferson School African American Heritage Center | 228,993 |
| Lighthouse Studio | 36,000 |
| Literacy Volunteers | 16,800 |
| McGuffey Art Center | 31,462 |
| New City Arts | 27,000 |
| Piedmont Virginia Community College | 12,006 |
| The Paramount Theater/Arts Education Program | 0 |
| Virginia Discovery Museum | 17,500 |
| WTJU | 9,000 |
| Live Arts | 18,000 |
| Front Porch | 10,500 |

Contributions to Housing Programs

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|--|-----------|
| Charlottesville Housing Affordability Tax Grant Program | 1,360,000 |
| Rent Relief for Disabled, a sum sufficient estimated at | 190,000 |
| Rent Relief for Elderly, a sum sufficient estimated at | 35,000 |
| Stormwater Fee Assistance Program | 20,000 |
| Tax Relief for Disabled, a sum sufficient estimated at | 290,000 |
| Tax Relief for Elderly, a sum sufficient estimated at | 750,000 |
| AHIP | 225,000 |
| Charlottesville Redevelopment and Housing Authority (CRHA) | 100,000 |

Infrastructure and Transportation

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|---|-----------|
| Public Works: Administration, Facilities Development, Facilities Maintenance, Engineering, Climate Sustainability | 6,897,795 |
| Public Works: Hedgerow Properties | 105,913 |
| Public Works: Public Service | 8,680,554 |
| Transfer to Charlottesville Area Transit Fund | 2,825,000 |
| JAUNT Paratransit Services | 1,443,081 |

Public Safety and Justice

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|---|------------|
| City Sheriff | 1,735,780 |
| Commonwealth's Attorney | 1,326,861 |
| Clerk of Circuit Court | 890,772 |
| Circuit Court Judge | 91,335 |
| General District Court | 25,522 |
| Juvenile and Domestic Relations Court/Court Services Unit | 365,462 |
| Magistrate | 10,610 |
| Fire Department | 15,552,906 |

Police Department 20,458,669

Contributions to Programs Supporting Public Safety and Justice

Legal Aid Justice Center 35,000
Albemarle Charlottesville Regional Jail 3,801,804
Blue Ridge Juvenile Detention Center 1,150,008
Emergency Communications Center 1,985,491
Offenders Aid and Restoration 378,247
Society for the Prevention of Cruelty to Animals 306,806
Public Defender's Office 91,338

Local Contribution to Public Schools

Operational Support 67,092,134

Total Operating Expenditures \$210,969,897

Designated Expenditures

City/School Contracts: Pupil Transportation \$3,982,490
City/School Contracts: School Building Maintenance 4,768,096
Transfer to Capital Projects Fund 7,464,391
Transfer to Capital Projects Fund - Mall Vendor Fees 78,000
Transfer to Facilities Repair Fund 400,000
Transfer to Debt Service Fund - Meals Tax Revenue 2,727,272

Total Designated Expenditures \$19,420,249

Total General Fund Expenditures \$230,390,146

The City Council further ordains that at the close of FY-2024 the City Manager is authorized to maintain appropriations for encumbrances, grants, capital projects and programs.

The City Council further ordains that the City Manager is authorized to make line-item changes within department budgets and allocate salary lapse between department budgets and the lump sum merit pool budgeted with the Employee Compensation and Benefits budget program, and such changes shall be reported to the City Council by way of periodic financial reports.

The City Council further ordains that the City Manager is authorized to increase the budget and to expend the following funds for the following items of non-budgeted restricted revenue that may occur during FY-2024, which are hereby appropriated for expenditure within the budget program(s) designated by the City Manager, as of the date of receipt thereof by the City:

1. Insurance recoveries received for damages to City properties for which City funds have been expended to make repairs.,
2. Defaulted builder and developer securities to be used for uncompleted projects,

3. Parking Development Fees,
4. Asset forfeiture, Courthouse Security fees and \$4 for Life funds,
5. Donations under \$10,000 given to the City for a specific purpose,
6. Revenues received in excess of this annual appropriation, by the following funds: Transit Fund (Fund 245), Information Technology Fund (Fund 705), Warehouse Fund (Fund 706), Communications Fund (Fund 755), Fleet Maintenance Fund (Fund 753), Joint Health Department Building Fund (Fund 982), Retirement Benefits Fund (869), Parking Fund (Fund 650), Golf Fund (Fund 609), and the Utility Enterprise Funds (Water, Wastewater, Gas and Stormwater), and Landfill Reserve funds for use to cover costs associated with landfill remediation

The City Council further ordains that the appropriations made herein as Councilor Discretionary Funds will be spent in accordance with the guidelines set forth within City Council's adopted Policies and Procedures.

The City Council further ordains that the Employee Classification and Pay Plan for the City of Charlottesville dated July 1, 2023 and effective on that same date, which assigns salary ranges to each class or position in the City service is hereby approved pursuant to Section 19-3 and 19-4 of the City Code, 1990, as amended and a copy of the same shall be kept on file with the records of the meeting at which this resolution is approved.

The City Council further ordains that the annual appropriation in the sum of \$107,128,647 for FY-2024 for annual SCHOOL OPERATIONS is made, which monies are to be expended in accordance with law for purposes authorized and approved by the Charlottesville City School Board. (The City's local contribution to the School Operations is hereinabove appropriated by transfer from the General Fund).

The City Council further ordains that the annual appropriation in the sum of \$19,478,407 for FY-2024 be made from the HEALTH BENEFITS FUND (Fund 718), which monies are to be expended for the payment of health and medical benefit program costs, and for insurance covering such costs, and in addition, for the accumulation of a reserve for future expenditures to pay for such health and medical benefit program costs.

The City Council further ordains that the annual appropriation in the sum of \$35,271,228 or the amount of revenue received by such fund, whichever shall be the greater amount, be made from the RETIREMENT BENEFITS FUND (Fund 869), which monies are to be expended for the payment of retirement benefit program costs, and for insurance covering such costs, and in addition, for the accumulation of a reserve for future expenditures. The City Council further ordains that the Retirement Plan Commission is authorized and directed to provide for the payment from the Retirement Fund of a post-retirement supplement of 3% of the current retirement pay of each eligible retired employee effective July 1, 2023.

The City Council further ordains that the annual appropriation in the sum of \$4,240,188 for FY-2024 be made from the RISK MANAGEMENT FUND (Fund 711), which monies are to be expended for the uses prescribed for such fund, pursuant to the terms of, and subject to the limitations imposed by Article V of Chapter 11 of the Code of the City of Charlottesville, 1990, as amended.

The City Council further ordains that the annual appropriation in the sum of \$2,767,950 for FY-2024 be made from the EQUIPMENT REPLACEMENT FUND (Fund 106), which monies are to be expended for the lease, financing or purchase of motor vehicles and related equipment and for accumulation of a reserve for future equipment purchases.

The City Council further ordains that the annual appropriation in the sum of \$627,981 be made from the FACILITIES REPAIR FUND (Fund 107), which monies are to be expended for carrying out the purposes of repairs to facilities and for accumulation of a reserve for future repairs to facilities.

The City Council further ordains that the annual appropriation in the sum of \$906,941 or the amount of revenue received for FY-2024 be made from the JOINT HEALTH DEPARTMENT BUILDING FUND (Fund 982), which monies are to be expended for general improvements, maintenance, small capital projects and for the accumulation of a reserve to be used for expenses for the Thomas Jefferson Health District building.

The City Council further ordains that the annual appropriation in the sum of \$13,236,558, or as much thereof as may be necessary, be made from the DEBT SERVICE FUND (Fund 302), which monies to be expended for the payment of principal and interest of bonds, notes and other evidence of indebtedness and the cost of issuance thereof issued by the City pursuant to its Charter and/or the Virginia Public Finance Act.

The City Council further ordains that the annual appropriation in the sum of \$6,928,697, or the amount of revenue received by such fund, whichever shall be the lesser amount, be made from the HUMAN SERVICES/COMMUNITY ATTENTION FUND (Fund 213), which monies are to be expended for the operation of the Community Attention Homes and related programs during such fiscal year.

The City Council further ordains that the annual appropriation in the sum of \$15,907,753 or the amount of revenue received by such fund, whichever shall be the lesser amount, be made from the SOCIAL SERVICES FUND (Fund 212), which monies are to be expended for the operation of the Department of Social Services during such fiscal year,

The City Council further ordains that the annual appropriation in the sum of \$8,344,864, or the amount of revenue received by such fund, whichever shall be the lesser amount, be made from the CHILDREN'S SERVICES ACT FUND (Fund 215), which monies are to be expended for the operation of the Children's Services Act entitlement program,

The City Council further ordains that the annual appropriation in the sum of \$14,286,170, or the amount of revenue received by such fund, whichever shall be the greater amount, be made from the TRANSIT FUND (Fund 245), which monies are to be expended for the operation of the public transit system.

The City Council further ordains that the annual appropriation in the sum of \$1,978,346, or the amount of revenue received by such fund, whichever shall be the greater amount be made from the INFORMATION TECHNOLOGY FUND (Fund 705), which monies are to be expended for the operation of the various information technology functions.

The City Council further ordains that the annual appropriation the sum of \$201,779, or the amount of revenue received by such fund, whichever shall be the greater amount, be made from the WAREHOUSE FUND (Fund 706), which monies are to be expended for the operation of the Warehouse.

The City Council further ordains that the annual appropriation in the sum of \$1,527,332 be made from the FLEET MAINTENANCE FUND (Fund 753), which monies are to be expended for the operation of the Central Garage, Vehicle Wash and Fuel System.

The City Council further ordains that the annual appropriation in the sum of \$591,114 be made from the COMMUNICATIONS SYSTEM FUND (Fund 755), which monies are to be expended for the operation of the citywide phone system and mailroom operations during such fiscal year.

The City Council further ordains that the annual appropriation in the sum of \$1,206,440, or the amount of revenue credited to such fund, whichever shall be the greater amount be made from the GOLF FUND (Fund 609), which monies are to be expended for the operation of the golf course during such fiscal year.

The City Council further ordains that the annual appropriation in the sum of \$4,009,730, or the amount of revenue credited to such fund, whichever shall be the greater amount, be made from the PARKING FUND (Fund 650), which monies are to be expended for the operation of the parking operations during such fiscal year.

The City Council further ordains that the appropriations made herein shall become available for expenditures July 1,2023 and shall expire June 30, 2024 (FY-2024).

Section 2. Operating Fund Revenues

It is estimated that local revenues and other sources of revenue will be available during FY-2024 to meet the needs of the FY-2024 Budget approved within Section 1 of this Appropriation Ordinance, according to the following sources:

General Fund

| | |
|---|-----------------------|
| Local Sources | \$ 215,266,858 |
| The Commonwealth and Federal Government | 12,666,388 |
| Transfers from Other Funds | 500,000 |
| Fund Balance Committed/Assigned | 1,956,900 |
| Fund Balance (Unassigned) | - |
| Total | \$ 230,390,146 |

School Operations

| | |
|---|-----------------------|
| Local Contribution/Transfer from General Fund | \$ 67,092,134 |
| The Commonwealth and Federal Government | 35,755,506 |
| Miscellaneous Revenue | 1,979,579 |
| Fund Balance | 2,301,428 |
| Total | \$ 107,128,647 |

Health Benefits Fund

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|-------------------------------------|----------------------|
| Member Contributions | \$ 18,526,851 |
| Miscellaneous Revenue | \$ 15,000 |
| Balance of the Health Benefits Fund | \$ 936,556 |
| Total | \$ 19,478,407 |

Retirement Benefits Fund

| | |
|--------------------------------|----------------------|
| City Contributions (All Funds) | \$ 17,146,228 |
| Member Contributions | 2,500,000 |
| Investment Income | 15,625,000 |
| Total | \$ 35,271,228 |

Risk Management Fund

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|--------------------------------|---------------------|
| City Contributions (All Funds) | \$ 4,140,188 |
| Other Local Sources | 100,000 |
| Total | \$ 4,240,188 |

Equipment Replacement Fund

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|--------------------------------|--------------|
| Transfer from the General Fund | \$ 2,767,950 |
|--------------------------------|--------------|

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|---|----------------------|
| Balance of the Equip. Repl. Fund | - |
| Total | <u>\$ 2,767,950</u> |
| <u>Facilities Repair Fund</u> | |
| Transfer from the General Fund | \$ 400,000 |
| Balance of the Fac. Repair Fund | 227,981 |
| Total | <u>\$ 627,981</u> |
| <u>Joint Health Building Fund</u> | |
| Rent Income | \$ 251,655 |
| Balance of the Joint Health Bldg Fund | 654,953 |
| Total | <u>\$ 906,941</u> |
| <u>Debt Service Fund</u> | |
| Transfers from the General Fund | \$ 10,509,286 |
| Meals Tax Transfer (equivalent to \$0.01) | 2,727,272 |
| Total | <u>\$ 13,236,558</u> |
| <u>Human Services Fund</u> | |
| Transfers from the General Fund | \$ 1,506,362 |
| Intergovernmental Revenue | 5,354,335 |
| Miscellaneous Revenue | 68,000 |
| Total | <u>\$ 6,928,697</u> |
| <u>Social Services Fund</u> | |
| Transfers from the General Fund | \$ 3,602,777 |
| Intergovernmental Revenue | 11,026,731 |
| Other Sources | 1,278,245 |
| Total | <u>\$ 15,907,753</u> |
| <u>Children's Services Act Fund</u> | |
| Transfers from the General Fund | \$ 1,904,722 |
| Intergovernmental Revenue | 6,440,142 |
| Total | <u>\$ 8,344,864</u> |
| <u>Transit Fund</u> | |
| Transfers from the General Fund | \$ 2,825,000 |
| Intergovernmental Revenue | 11,351,270 |
| Miscellaneous Revenue | 109,900 |
| Total | <u>\$ 14,286,170</u> |
| <u>Information Technology</u> | |

| | | |
|------------------------------------|----|------------------|
| Transfers from the General Fund | \$ | 444,600 |
| User Fees | | 1,508,384 |
| Miscellaneous Revenue | | 25,362 |
| Total | \$ | <u>1,978,346</u> |
| <u>Warehouse Fund</u> | | |
| User Fees | \$ | 201,779 |
| Total | \$ | <u>201,779</u> |
| <u>Fleet Fund</u> | | |
| User Fees | \$ | 1,527,332 |
| Total | \$ | <u>1,527,332</u> |
| <u>Communications Fund</u> | | |
| User Fees | \$ | 356,466 |
| Balance of the Communications Fund | | 234,648 |
| Total | \$ | <u>591,114</u> |
| <u>Golf Fund</u> | | |
| User Fees | \$ | 1,206,440 |
| Total | \$ | <u>1,206,440</u> |
| <u>Parking Fund</u> | | |
| Parking Revenues | \$ | 2,642,658 |
| Balance of the Parking Fund | | 1,367,072 |
| Total | \$ | <u>4,009,730</u> |

Section 3. FY-2024 Capital Budget

The City Council ordains that the annual appropriation in the sum of \$116,386,179 for FY-2024 be made from the CAPITAL FUND (Funds 424, 425, 426, 427, 428 and 429 combined) which monies are to be expended in accordance with law for the following purposes authorized and approved by City Council and as more particularly set forth by specific project in the FY-2024 Budget. City Council intends that the adoption of this resolution (1) confirms the “official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended. and (2) that the funds designated for the respective capital purchases or projects as set forth shall hereby made available for expenditure until the project is deemed to be complete.

The estimated revenues and appropriation categories are as follows:

Revenues

| | | |
|--|----|------------|
| Transfer from General Fund | \$ | 6,889,391 |
| Transfer from General Fund - Mall Vendor Fees | | 78,000 |
| Transfer from General Fund - VCF Allocation | | 575,000 |
| Contribution from Schools (Small Cap Program) | | 200,000 |
| Contribution from Schools - FY 22 Gainshare | | 1,042,414 |
| Contribution from Schools - Construction Grant Funds | | 1,474,519 |
| Contribution from Schools - Fund Balance | | 1,500,000 |
| CIP Contingency (from prior year surplus) | | 8,327,150 |
| PEG Fee Revenue | | 40,000 |
| CY 2024 Bond Issue | | 96,259,705 |

| | | |
|---------------------------------|-----------|--------------------|
| TOTAL AVAILABLE REVENUES | \$ | 116,386,179 |
|---------------------------------|-----------|--------------------|

Expenditures

EDUCATION

Project

| | | |
|--|----|------------|
| Lump Sum to Schools (City Contribution) | \$ | 1,200,000 |
| City Schools HVAC Replacement | | 750,000 |
| City Schools Priority Improvement Projects | | 1,250,000 |
| Charlottesville High School Roof Replacement | | 541,060 |
| Charlottesville City School Reconfiguration | | 86,313,410 |
| School Small Capital Improvements Program | | 200,000 |

| | | |
|-----------------|-----------|-------------------|
| SUBTOTAL | \$ | 90,254,470 |
|-----------------|-----------|-------------------|

FACILITIES CAPITAL PROJECTS

Project

| | | |
|---|----|-----------|
| Lump Sum to Facilities Capital Projects | \$ | 1,045,491 |
| City Facility HVAC Replacement | | 250,000 |
| City and Schools Solar PV Program | | 75,000 |
| IT Data Center AC Units | | 318,386 |
| RSWA Baler and Baling Facility | | 132,000 |
| Climate Action Initiatives | | 1,000,000 |
| HVAC Contingency Fund - City Facilities | | 25,000 |
| HVAC Contingency Fund - School Facilities | | 25,000 |
| City Hall Lobby Renovations | | 575,000 |

| | | |
|-----------------|-----------|------------------|
| SUBTOTAL | \$ | 3,445,877 |
|-----------------|-----------|------------------|

PUBLIC SAFETY AND JUSTICE

| <u>Project</u> | | |
|------------------------------------|-----------|------------------|
| Replacement Fire Apparatus | \$ | 1,152,415 |
| Police Mobile Data Terminals | | 45,000 |
| Police Portable Radio Replacement | | 45,000 |
| Fire Portable Radio Replacement | | 45,000 |
| Sheriff Portable Radio Replacement | | 18,800 |
| Bypass Fire Station Renovation | | 2,000,000 |
| SUBTOTAL | \$ | 3,306,215 |

TRANSPORTATION AND ACCESS

| <u>Project</u> | | |
|---|-----------|------------------|
| New Sidewalks | \$ | 100,000 |
| Sidewalk Repair | | 500,000 |
| SIA Immediate Implementation | | 200,000 |
| Small Area Plans | | 100,000 |
| Street Milling and Paving | | 1,000,000 |
| ADA Pedestrian Signal Upgrades | | 240,000 |
| Minor Bridge Repairs | | 225,000 |
| Citywide ADA Improvements - Sidewalks and Curbs | | 100,000 |
| Traffic Signal Infrastructure Replacement | | 3,700,000 |
| State Bridge and Highway Inspections | | 80,000 |
| CAT Transit Bus Replacement Match | | 239,936 |
| Intelligent Transportation System | | 185,000 |
| City Wide Traffic Engineering Improvements | | 150,000 |
| Neighborhood Transportation Improvements | | 100,000 |
| Bicycle Infrastructure | | 100,000 |
| Right of Way Appurtenance | | 50,000 |
| Traffic Sign Retro Reflective Compliance | | 100,000 |
| LED Streetlight Conversion | | 600,000 |
| Stribling Avenue Sidewalk | | 750,000 |
| SUBTOTAL | \$ | 8,519,936 |

PARKS AND RECREATION

| <u>Project</u> | | |
|---|----|---------|
| Key Recreation Slate Roof Replacement | \$ | 712,000 |
| Parks and Recreation Lump Sum Account | | 400,000 |
| Parks and Schools Playground Renovations | | 112,000 |
| Urban Tree Planting | | 100,000 |
| Parkland and Trails Acquisition and Development | | 225,000 |

| | |
|---|---------------------|
| Downtown Mall Infrastructure Repairs | 78,000 |
| Oakwood Cemetery Drainage and Road Issues | 175,000 |
| Hazard and Liability Ash Tree Removal | 100,000 |
| City/County - Ivy Creek Preservation Study and Construction | 82,681 |
| Downtown Mall Trees Active Lifecycle Management | 100,000 |
| Invasive Plant Removal | 75,000 |
| SUBTOTAL | \$ 2,159,681 |

AFFORDABLE HOUSING

| | |
|--|---------------------|
| <u>Project</u> | |
| Public Housing Redevelopment - (CRHA) | \$ 3,000,000 |
| Charlottesville Affordable Housing Fund (CAHF) | 1,500,000 |
| Supplemental Rental Assistance (CSRAP) | 900,000 |
| PHA - MACAA Project Apartments | 1,885,000 |
| PHA - Park Street Apartments | 1,125,000 |
| SUBTOTAL | \$ 8,410,000 |

TECHNOLOGY INFRASTRUCTURE

| | |
|---|-------------------|
| <u>Project</u> | |
| Communications Technology Account/Public Access | \$ 40,000 |
| City Wide IT Strategic Infrastructure | 250,000 |
| SUBTOTAL | \$ 290,000 |

| | |
|-----------------------|-----------------------|
| Total Projects | \$ 116,386,179 |
|-----------------------|-----------------------|

The City Council further ordains that based on a \$575,000 funding allocation out of the Charlottesville Affordable Housing Fund (CAHF) and based on recommendations of the CAHF Committee, the following applicants will receive the noted funding amounts in FY-2024:

- BRACH – Homeless Information Line: \$36,000
- BRACH – System of Care Coordination: \$45,000
- Community Services Housing: \$61,475
- PACEM: \$72,000
- The Haven – Day Shelter: \$90,000
- The Haven – Vital Housing Services: \$90,000
- Virginia Supportive Housing: \$99,000
- PHAR: \$22,500
- Habitat: \$58,500

The City Council further ordains that at the close of the fiscal year the City Manager is authorized to maintain appropriations for encumbrances and grants.

The City Council further ordains that at the close of the fiscal year the City Manager is authorized to administratively approve the close out of capital projects and transfer any unencumbered residual funds to the balance within the Capital Improvement Fund.

Section 4. Utility Enterprise Funds

The City Council further ordains that the annual appropriation in the sum of \$20,770,991; or the amount of revenue received by such fund, whichever shall be the greater amount, for the WATER UTILITY FUNDS (Funds 611 and 612), which monies are to be expended for the operation of the water utility.

The City Council further ordains that the annual appropriation in the sum of \$20,926,007; or the amount of revenue received by such fund, whichever shall be the greater amount, for the WASTEWATER UTILITY FUNDS (Funds 621 and 622), which monies are to be expended for the operation of the wastewater utility.

The City Council further ordains that the annual appropriation in the sum of \$32,632,290; or the amount of revenue received by such fund, whichever shall be the greater amount, for the GAS UTILITY FUNDS (Funds 631 and 634), which monies are to be expended for the operation of the gas utility.

The City Council further ordains that the annual appropriation in the sum of \$4,174,255; or the amount of revenue received by such fund, whichever shall be the greater amount, for the STORMWATER UTILITY FUNDS (Funds 641,642 and 643), which monies are to be expended for the operation of the stormwater utility.

Operating Revenues

WATER (OPERATIONAL AND DEBT SERVICE FUNDS)

| | |
|---------------------------|--------------|
| Water Sales Revenue | \$12,995,991 |
| Other Fees | 200,000 |
| Bond Proceeds | 5,775,000 |
| Transfer from Other Funds | 1,800,000 |

| | |
|---------------------------------|---------------------|
| WATER FUND REVENUE TOTAL | \$20,770,991 |
|---------------------------------|---------------------|

WASTEWATER (OPERATIONAL AND DEBT SERVICE FUNDS)

| | |
|---------------------------|--------------|
| Wastewater Sales Revenue | \$15,926,007 |
| Bond Proceeds | 2,000,000 |
| Transfer from Other Funds | 3,000,000 |

| | |
|---------------------------------|---------------------|
| WASTEWATER REVENUE TOTAL | \$20,926,007 |
|---------------------------------|---------------------|

GAS (OPERATIONAL AND DEBT SERVICE FUNDS)

| | |
|-------------------|--------------|
| Gas Sales Revenue | \$29,793,234 |
| Other Fees | 342,000 |
| Misc. Revenue | 2,497,056 |

GAS REVENUE TOTAL **\$32,632,290**

STORMWATER (OPERATIONAL AND DEBT SERVICE FUNDS)

| | |
|---------------------------|-------------|
| Stormwater Fee Revenue | \$1,944,572 |
| Bond Proceeds | 1,550,000 |
| Transfer from Other Funds | 679,683 |

STORMWATER REVENUE TOTAL **\$4,174,255**

The City Council further ordains that at the close of the fiscal year the City Manager is authorized to maintain appropriations within the City’s enterprise funds for encumbrances, grants, capital projects and programs.

The City Council further ordains that the annual appropriations for the City’s Utility Enterprise Funds are subject to amendment based on Council’s subsequent review and approval of the Annual Utility Rate Report which sets forth the annual spending plan and establishes the annual customer rates for each utility. By definition, the term “operation” is herein defined to include any self-supporting enterprise expenditures including those for capital outlay and for the payment of principal and interest of bonds, notes and other evidence of indebtedness and the cost of issuance thereof issued by the City pursuant to its Charter and/or the Virginia Public Finance Act.

**City Council Amendments to the City Manager's
FY 2024 Proposed General Fund Budget**

| | | |
|--|-----------|--------------------|
| Manager's Recommended FY 24 Revenue Estimates | \$ | 226,239,155 |
|--|-----------|--------------------|

Amendments to FY 24 Revenue Estimates

Increase Revenues

Taxes

| | |
|--|---------|
| Personal Property Tax | 100,000 |
| Penalty and Interest on Delinquent Taxes | 285,000 |
| Transient Room Tax | 900,000 |
| Meals Tax | 600,000 |

Licenses and Permits

| | |
|----------------------------------|---------|
| Business & Professional Licenses | 200,000 |
|----------------------------------|---------|

Designated Revenues

| | |
|---|---------|
| Meals Tax Designated to Debt Service (\$0.01) | 109,091 |
|---|---------|

| | | |
|---------------------------------|-----------|------------------|
| Total Revenue Amendments | \$ | 2,194,091 |
|---------------------------------|-----------|------------------|

| | | |
|---|-----------|--------------------|
| Total Amended FY 24 General Fund Revenue Estimates | \$ | 228,433,246 |
|---|-----------|--------------------|

| | | |
|---|-----------|--------------------|
| Manager's Recommended FY 24 Expenditures | \$ | 226,239,155 |
|---|-----------|--------------------|

Amendments to FY 24 Expenditures

Increase Expenditures

Outside and Nonprofits Agencies

| | |
|---|---------|
| Jefferson School African American Heritage Center | 186,993 |
| Public Defender | 1,724 |
| Voter Registration | 12,000 |
| PHAR | 40,000 |
| Child Health Partnership | 126,400 |
| AHIP Operational Funding | 225,000 |
| Pathways | 500,000 |
| ReadyKids - Counseling Program | 26,000 |
| ReadyKids - Healthy Families Program | 19,000 |
| CRHA Staffing for Resident Services | 100,000 |
| Municode | 10,000 |
| Employee Comp Study Implementation | 850,721 |
| Violence Prevention Programs - TBD | 200,000 |
| OAR - Drug Court and Therapeutic Docket | 19,279 |
| Free Clinic | 26,974 |

Decrease Expenditures

| | |
|-------------------------------|-----------|
| Council Strategic Initiatives | (150,000) |
|-------------------------------|-----------|

| | | |
|-------------------------------------|-----------|------------------|
| Total Expenditure Amendments | \$ | 2,194,091 |
|-------------------------------------|-----------|------------------|

| | | |
|---|-----------|--------------------|
| Total Amended FY 24 General Fund Expenditure Estimates | \$ | 228,433,246 |
|---|-----------|--------------------|

**City Council Amendments to the City Manager's
FY 2024 Proposed Capital Improvement Program Budget**

| | | |
|--|-----------|-------------------|
| Manager's Recommended FY 24 Revenue Estimates | \$ | 98,912,381 |
|--|-----------|-------------------|

Amendments to FY 24 Revenue Estimates

Increase Revenues

| | | |
|--|--|------------|
| Contribution from Schools - Fund Balance | | 1,500,000 |
| CIP Contingency | | 1,425,000 |
| Bond Sales | | 14,548,798 |

| | | |
|---------------------------------|-----------|-------------------|
| Total Revenue Amendments | \$ | 17,473,798 |
|---------------------------------|-----------|-------------------|

| | | |
|---|-----------|--------------------|
| Total Amended FY 24 Capital Improvement Fund Revenue Estimates | \$ | 116,386,179 |
|---|-----------|--------------------|

| | | |
|---|-----------|-------------------|
| Manager's Recommended FY 24 Expenditures | \$ | 98,912,381 |
|---|-----------|-------------------|

Amendments to FY 24 Expenditures

Increase Expenditures

| | | |
|------------------------------------|--|------------|
| School Reconfiguration Project | | 13,473,798 |
| LED Streetlight Conversion Project | | 600,000 |
| Stribling Sidewalk | | 750,000 |
| Invasive Plant Removal | | 75,000 |
| Bypass Fire Station | | 2,000,000 |
| City Hall Lobby Renovation | | 575,000 |

| | | |
|-------------------------------------|-----------|-------------------|
| Total Expenditure Amendments | \$ | 17,473,798 |
|-------------------------------------|-----------|-------------------|

| | | |
|--|-----------|--------------------|
| Total Amended FY 24 Capital Improvement Fund Expenditures | \$ | 116,386,179 |
|--|-----------|--------------------|

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



| | |
|------------------|---|
| Agenda Date: | April 11, 2023 |
| Action Required: | Adoption of the Resolution establishing the personal property tax relief percentage for Tax Year 2023 |
| Presenter: | Todd Divers, Commissioner of the Revenue |
| Staff Contacts: | Jason Vandever, City Treasurer Lisa Newman, Personal Property Supervisor |
| Title: | Establishing 2023 Tax Year Personal Property Tax Relief Percentage (1 reading) |

Background

The City of Charlottesville receives a fixed annual grant from the Commonwealth of Virginia to be used to apply Personal Property Tax Relief (PPTR). The program is governed by the Code of Virginia (58.1 Chapter 35.1) and gives the locality a pool of funds, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. The Commonwealth of Virginia's obligation is capped and made certain; localities distribute the relief amount as determined by local ordinance.

Discussion

The method for computing the relief percentage is to subtract the tax year's total tax on eligible vehicles valued \$1,000 or less (that receive 100% relief) from the total PPTR grant amount (\$3,498,256) and divide the result by the total tax on the rest of the eligible vehicles' portion of value that is \$20,000 or less.

Based on 2023 tax year early book and projections for the tax year, staff recommends setting the relief percentage of tax on up to \$20,000 value for vehicles valued over \$1,000 by using the formula specified below:

Approve resolution setting the relief at 33% for tax year 2023.

2023 Formula:

- | | |
|---|----------------|
| 1. Tax Levy on all qualifying vehicles | = \$12,000,000 |
| 2. PPTR used on 100% relief vehicles (vehicles valued \$1,000 and under) | = \$56,000 |
| 3. PPTR total (\$3,498,256) minus line 2, leaves remaining | = \$3,442,256 |
| 4. Levy on up to \$20,000 value (of qualifying vehicles valued over \$1,000) | = \$10,300,000 |

5. Divide 3 by 4 = (.3342) 33%

Alignment with City Council's Vision and Strategic Plan

Establishing the Personal Property Tax Relief percentage, like establishing tax rates, is one of the functions of a well-managed local government, which would put this under Goal 5. The first objective is most applicable: "Integrate effective business practices and strong fiscal policies". If the percentage is set too high, the City may not have the full revenue it would from the tax rate set by Council. If the percentage is set too low, the owners of qualifying vehicles may over pay their share of the local tax burden. Therefore, this resolution applies directly to Council's vision of a "Smart, Citizen-Focused Government".

Community Engagement

Not applicable

Budgetary Impact

None anticipated based on forecast of vehicle levy and relief to be received from the Commonwealth.

Recommendation

Suggested Motion: "I move the RESOLUTION establishing the personal property tax relief percentage for Tax Year 2023."

Alternatives

N/A

Attachments

1. PPTR Resolution FY2024

RESOLUTION

Establishing the Personal Property Tax Relief Percentage for Tax Year 2023

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, THAT pursuant to the requirements of Virginia Code §58.1-3524, that personal property tax relief at the rate of thirty-three percent (33%) shall be applied to the first \$20,000 of value of each qualifying vehicle having a value of more than \$1,000 and

BE IT FURTHER RESOLVED THAT personal property tax relief at the rate of one hundred percent (100%) shall be applied to each qualifying vehicle having a value of \$1,000 or less.