



**HARRISONBURG** **IVA**  
**FRIENDLY BY NATURE**

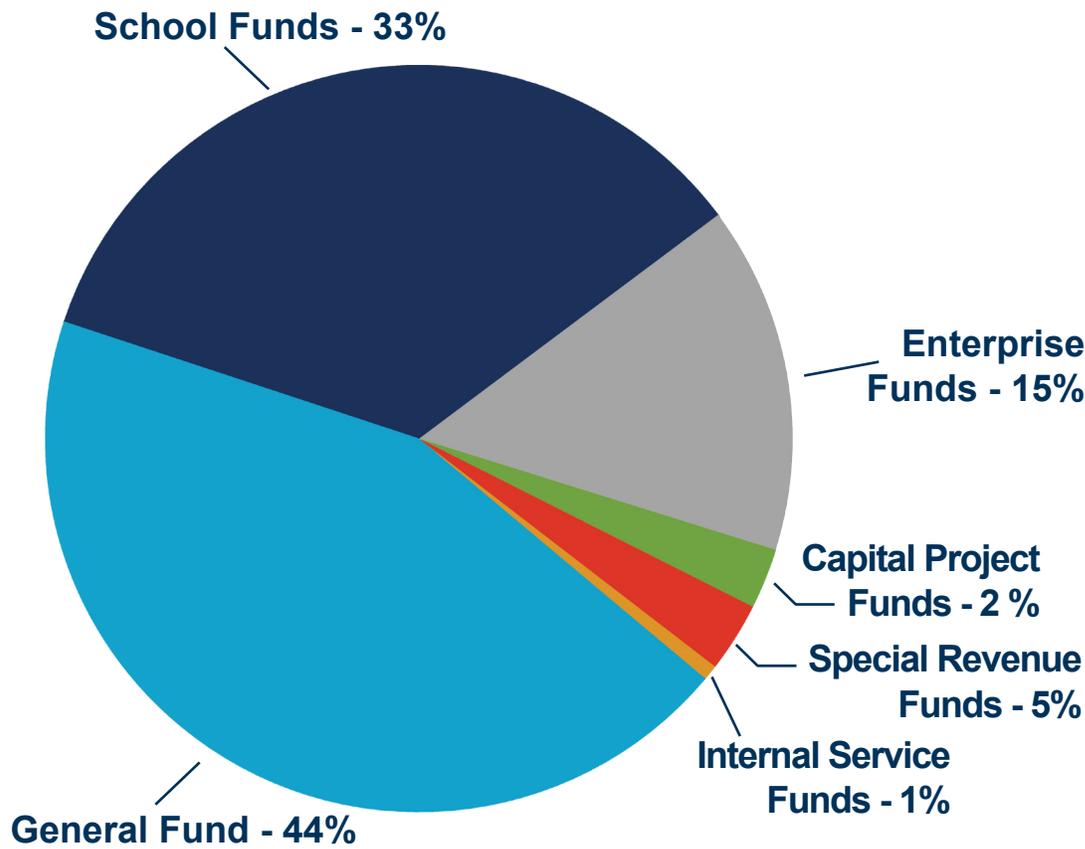
**BUDGET IN BRIEF**  
**ADOPTED FISCAL YEAR 2020-2021**



# INTRODUCTORY INFORMATION

The Fiscal Year 2020-2021 citywide budget amounts to \$269,833,188. The largest budget is the General Fund, which primarily funds police, fire, planning, parks and recreation services, and public works, as well as internal support functions. The second largest budget is the School Fund, which supports school administration, instruction, pupil transportation, maintenance, and technology.

The City expects to fund approximately \$5,007,347 in capital projects, including new sanitation bins, safety cameras inside HDPT buses and continuation of the Eastern Raw Water Line.



## Budget FY20-21

The budget operates on a fiscal year (FY), which runs July 1 through June 30.



## Public Participation

The City invites members of the public to provide feedback in this process.



## Contact

City Manager's Office  
Harrisonburg City Hall  
409 S. Main St.  
540.432.7701



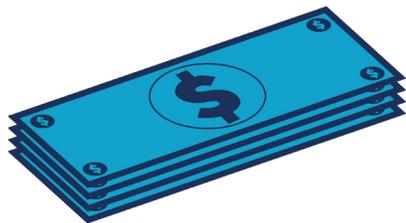


## DEVELOPING THE CITY'S BUDGET

Designing a city budget is one of the most important jobs of a city manager and the city council. It requires a great deal of effort, a lot of time, a careful ordering of priorities, consultation with the comprehensive plan and capital improvement plan, and considerable input from residents.

### BUDGET CHALLENGES

In preparing the budget, the city manager is often faced with the need to prioritize projects and needs within each department.



Due to the unprecedented impact of the global COVID-19 pandemic on local sales, meals and lodging tax revenues that occurred in Spring 2020 and continued into the Summer, City staff were forced to make a number of late adjustments between the time a budget was proposed and adopted. Additional adjustments are possible.



Technology serves as a great asset to the city but can be costly. There might be a need but factors that must also be considered are regular upgrades and maintenance and if the longterm investment justifies the expense.

Even the most well thought out budget must have room for unexpected repairs and maintenance on critical city assets.



### BUDGET HIGHLIGHTS

**\$200,000**  
**Harrisonburg City Schools**  
 • Increase in Transfer

**\$900,000**  
**Shenandoah Valley Conference Center**

**\$598,000**  
**Emergency Comms. Center**  
 • Increase in Contribution

**\$315,000**  
**Cost of Living Increases**  
 • 1.5% - January

**\$366,500**  
**Middle River Regional**  
 • Increase in Contributions

**\$524,000**  
**Virginia Retirement System**  
 • Increase in Contributions

**\$70,000**  
**Zoning and Subdivision Ordinance Rewrite**

# THE CITY'S FUNDS

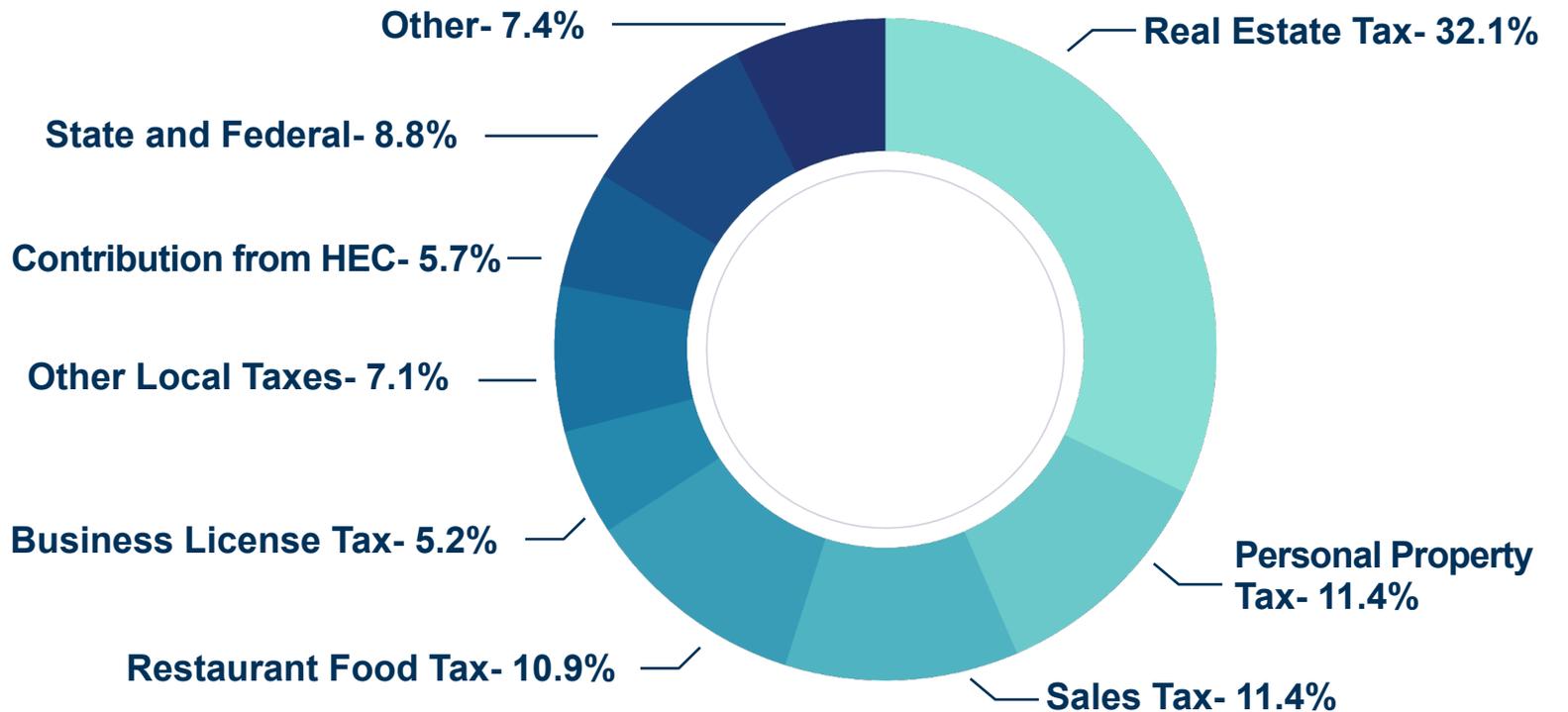
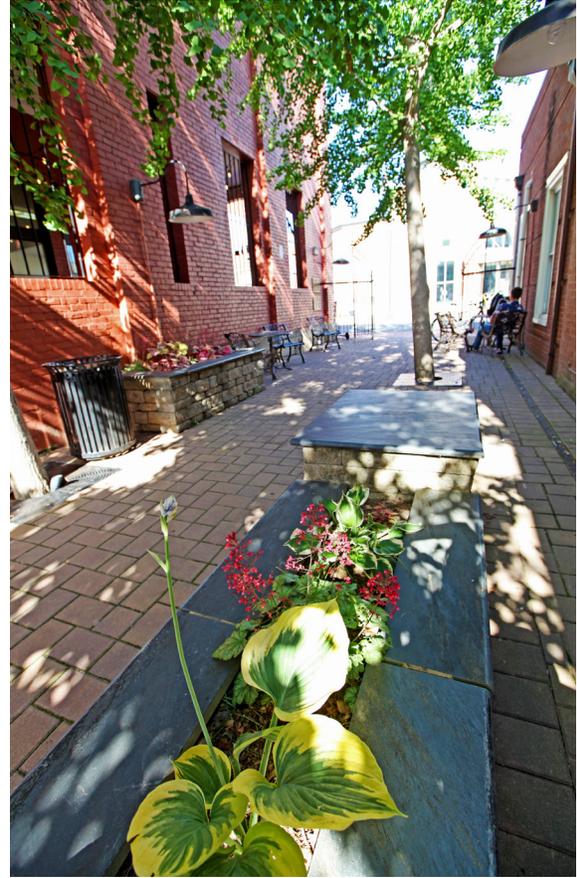
The accounts of the city are organized into funds. A fund is a group of related accounts used to control money marked for specific activities or objectives. By keeping revenue in its appropriate funds, the city is able to obey laws that require certain money to be spent on specific uses.

| ALL FUNDS                        | FY21 ADOPTED BUDGET  | INCREASE (DECREASE)  | 0 25 50 75 100 125 (Millions)     |
|----------------------------------|----------------------|----------------------|-----------------------------------|
| General                          | \$118,401,230        | (\$5,253,885)        | General                           |
| School                           | 85,571,673           | 2,033,417            | School                            |
| School Nutrition                 | 4,543,180            | 116,677              | Sewer                             |
| Emergency Comms. Center          | 7,852,548            | 1,613,766            | Water                             |
| Community Develop. Block Grant   | 848,562              | 271,989              | Public Transportation             |
| School Transportation            | 4,150,763            | (62,642)             | Emergency Communication Center    |
| General Capital Projects         | --                   | (2,925,000)          | Sanitation                        |
| Emergency Comm. Capital Projects | 600,000              | 50,000               | School Transportation             |
| Water Capital Projects           | 2,314,253            | (1,043,472)          | School Nutrition                  |
| Sewer Capital Projects           | 2,093,094            | 906,246              | Water Capital Projects            |
| Sanitation Capital Projects      | --                   | --                   | Sewer Capital Projects            |
| Stormwater Capital Projects      | --                   | (667,500)            | Stormwater                        |
| Water                            | 11,548,960           | (762,140)            | Central Garage                    |
| Sewer                            | 15,019,042           | 892,342              | Emmergency Comm. Capital Projects |
| Public Transportation            | 8,452,710            | 2,715,210            | Stormwater Capital Projects       |
| Sanitation                       | 5,231,785            | 782,410              | General Capital Projects          |
| Business Loan Program            | 50,000               | (75,000)             | Community Develop. Block Grants   |
| Stormwater                       | 1,336,580            | (75,720)             | Central Stores                    |
| Central Garage                   | 1,626,548            | 40,128               | Business Loan Program             |
| Central Stores                   | 192,260              | 13,454               | Sanitation Capital Projects       |
| <b>Total All Funds</b>           | <b>\$269,833,188</b> | <b>(\$1,429,720)</b> |                                   |

# GENERAL FUND REVENUES

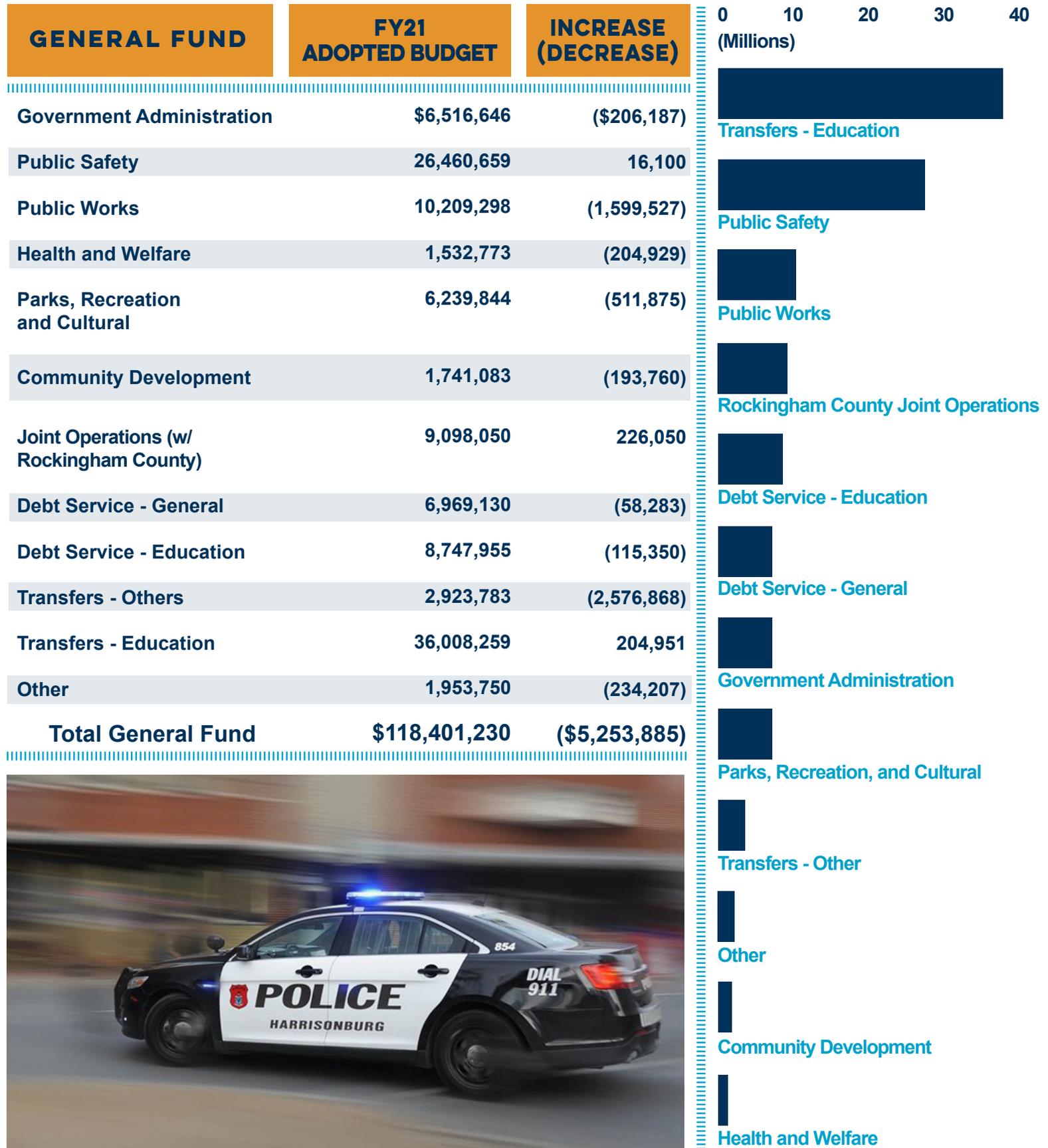
The General Fund revenues are the different taxes, fees, and other sources of money that come in to the city. The largest source of funding for the General Fund is real estate tax, which makes up 32.1% of the fund's revenue. Other significant General Fund funding sources are sales tax and restaurant tax, which combined are 22.3% of revenue. The fund balance-- considered the city's "savings account"-- is sometimes used to pay for one time capital expenditures.

| REVENUE SOURCE             | FY21 ADOPTED BUDGET  | INCREASE (DECREASE) |
|----------------------------|----------------------|---------------------|
| Real Estate Tax            | \$38,041,200         | \$603,700           |
| Personal Property Tax      | 13,500,900           | 970,600             |
| Sales Tax                  | 13,442,800           | (1,270,600)         |
| Restaurant Food Tax        | 12,944,600           | (1,444,400)         |
| Business License Tax       | 6,187,600            | (1,091,900)         |
| Other Local Taxes          | 8,349,800            | (232,400)           |
| Contribution from HEC      | 6,700,000            | 1,500,000           |
| State and Federal          | 10,430,933           | (888,563)           |
| Other                      | 8,803,397            | (1,471,722)         |
| Fund Balance               | --                   | (1,928,600)         |
| <b>Total General Funds</b> | <b>\$118,401,230</b> | <b>(5,253,885)</b>  |



# GENERAL FUND EXPENDITURES

The General Fund expenditures are the funds from which the departments expend money to provide quality services to residents on a daily basis. Of the city’s adopted budget, most of the big spending decisions occur within the General Fund. This fund is also where the city has the most discretion.



# WHERE DO YOUR TAX DOLLARS AND FEE PAYMENTS GO?

The City's General Fund revenue is diversified. More than half of the City's revenue is generated by taxes such as real estate, sales, and restaurant food. User fees for services are another key source of funding, including charges for refuse collection and stormwater management. The dollar graphic below demonstrates how many cents of each dollar received by the City's General Fund is used to support the many services received by residents and businesses.

## ADOPTED TAX AND FEE RATES

|  |  |
|--|--|
| Real Estate Tax  | 86¢ per \$100 of assessed value            |
| Personal Property Tax (vehicles)                           | \$3.50 per \$100 of assessed value         |
| Personal Property Tax (other)                              | \$2.12 per \$100 of assessed value         |
| Restaurant Food (meals) Tax                                | 7%   |
| Transient Occupancy (lodging) Tax                          | 7%   |
| Motor Vehicle License Tax                                  | \$40 per passenger vehicle per year        |
| <b>CONSUMER UTILITY TAX (WATER, ELECTRIC, NATURAL GAS)</b> |  |
| Residential  | \$2 per month maximum                      |
| Commercial/Industrial                                      | \$20 per month maximum                     |
| Cigarette Tax  | 35¢ per pack                               |
| Admissions Tax   | 5%   |
| Sanitation Fee   |  |
| Refuse Collection Fee                                      | \$10 per month                             |
| Solid Waste Management Fee                                 | \$15 per month                             |
| Stormwater Fee   | \$6 per 500 square feet of impervious area |

## PUTTING THAT DOLLAR TO WORK



# CAPITAL PROJECTS

Planning for capital equipment and improvements is a matter of prudent fiscal management. The City Council approved the 2019-2024 Capital Improvement Plan on March 12, 2019. The plan prioritizes capital improvement needs over the next five years. During each budget cycle the City reviews maintenance, replacement, and repair needs in the Capital Improvement Plan and selects projects to incorporate into the budget based on priority and availability of funds. The 2020-21 adopted budget includes \$5 million in capital project funding.

## NEW TRANSIT & PARATRANSIT VEHICLES



**\$1.79 Million**

Three new transit buses and four paratransit buses will be purchased for HDPT to support community transportation needs.

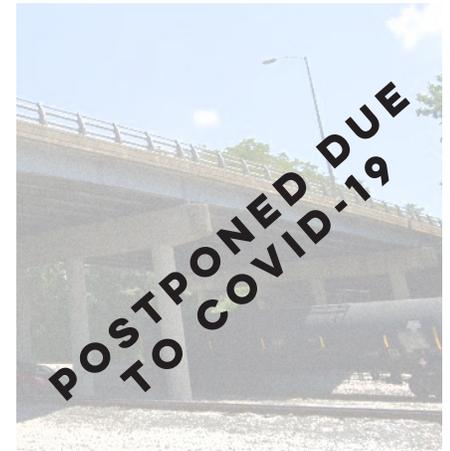
## EASTERN RAW WATER LINE



**\$400,000**

The entire project will consist of a river intake, two pump stations and some 90,000 linear feet of pipeline from the South Fork Shenandoah River.

## MARTIN LUTHER KING, JR. BRIDGE



**\$400,000**

Needed repairs include replacing anchor bolts and concrete piers, and painting steel beams. This work will extend the life of the bridge for many years to come.

## RESIDENTIAL SANITATION BINS



**\$700,000 - Sanitation Fund**

New City-branded sanitation bins will be provided to residents. This will support collection efforts and provide some beautification.

## HDPT SCHOOL BUS CAMERAS



**\$195,000**

New cameras inside HDPT school buses will help ensure safety and security of students will providing enhanced monitoring.

## KIDS CASTLE



**\$300,000**

Following completion of the Purcell Park Master Plan, we now have recommendations based on resident and expert input on the playground's future.

## FINANCIAL REPORTING RECOGNITION



In 2020, the city was rated Aa2 from Moody's and AA from Standard & Poor's rating agencies. The ratings represent the strength of the city's credit and thus the safety of investing in city bonds. The city's top bond ratings reflect the sound financial management of the city and allow the city to borrow money from investors at low interest rates.



The Government Finance Officers Association of the United States and Canada awarded a certificate of achievement for excellence in financial reporting to the city for its Comprehensive Annual Financial Report (CAFR). The city has received this for the 24th consecutive year. This certificate is the highest form of recognition in the area of governmental

## ANNUAL BUDGET CALENDAR - NOV. 2019 TO JULY 2020

|   |   |  |  |
|---|---|--|--|
| <p><b>November</b></p> <p>Internal budget discussions begin</p>   | <p><b>December</b></p> <p>Departments submit budget requests for review</p>                       | <p><b>January</b></p> <p>Outside agency requests are due and preliminary budget projections are made</p>                 | <p><b>February</b></p> <p>Meetings with directors take place and projections are updated</p> |
| <p><b>March</b></p> <p>City Manager finalizes proposed budget</p> | <p><b>April</b></p> <p>Draft budget is presented to City Council</p> <p>Budget public hearing</p> | <p><b>May</b></p> <p>Public hearing for real estate tax rate</p> <p>Second reading is held and the budget is adopted</p> | <p><b>July 1</b></p> <p>Newly adopted budget begins</p>                                      |

## HARRISONBURG CITY COUNCIL & STAFF

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