

The following are highlights of the Operating Budget for Fiscal Year 2024 and the proposed Capital and Special Projects Plan for Fiscal Years 2024 through 2028.

General Fund

The total FY 2024 General Fund budget is \$139,698,250. This is \$17,160,670 (14%) more than the FY 2023 budget.

General Fund Revenues – Major Changes

	FY 2023 Adopted Budget	FY 2024 Adopted Budget	Increase (Decrease)
General Property Taxes:			
Real Estate Taxes (Current & Delinquent)	\$ 19,700,000	\$ 19,900,000	\$ 200,000
Personal Property Taxes (Current & Delinquent)	13,693,580	14,847,910	1,154,330
Machinery & Tools (Current & Delinquent)	1,802,500	1,802,500	-
All General Property Taxes	2,021,160	2,080,320	59,160
Other Local Taxes:			
Local Sales Taxes	10,962,050	11,400,000	437,950
Business & Occupational Licenses	5,430,000	6,800,000	1,370,000
Prepared Meals Taxes	9,500,000	10,867,220	1,367,220
Hotel & Motel Room Taxes	2,025,080	2,467,230	442,150
All Other Local Taxes	3,412,370	16,415,980	13,003,610
License, Permits, Privilege	283,330	424,040	140,710
Revenue From Use of Money/Property	696,940	1,969,170	1,272,230
Recovered Cost	8,490,570	8,897,070	406,500
Charges for Detention	2,942,880	2,688,350	(254,530)
Non Categorical Aid-State	5,525,020	5,378,900	(146,120)
Social Service Programs/Administrative Reimb	8,000,000	8,000,000	-
Transfers in from Utilities	15,509,000	15,588,000	79,000
Other Revenue Areas	10,643,100	9,026,010	(1,617,090)
Total Revenues	\$ 120,637,580	\$ 138,552,700	\$ 17,915,120
Transfer From Unreserved Fund Balance	1,900,000	1,145,550	(754,450)
Total	\$ 122,537,580	\$ 139,698,250	\$ 17,160,670

Revenues

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

- **Real Estate Taxes** - There is no increase in real estate taxes proposed. This budget estimates an increase of \$200,000 in this revenue.
- **Personal Property Tax** – Current and delinquent property tax revenues are projected to increase for FY 2024 by \$1,154,330.
- **Machinery & Tools Tax** – This revenue is projected to remain flat for FY 2024.
- **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 \$437,950. Business & Occupancy License is projected to increase 1,370,000 for the anticipated fees from the casino. Meal's tax and Hotel/Motel tax are projected to increase by \$1,367,220, and \$442,150 respectively, due to a recovery of losses from coronavirus pandemic. Approximately \$13 million is anticipated from State and local gaming taxes after the casino begins operations.
- **License, Permits, Privilege** – There is an increase of \$140,710 due to anticipated increases in building permits.
- **Revenue from the use of Money/Property** – Interest rates have increased, and this revenue category reflects that with an estimated increase of \$1,272,230.
- **Recovered Cost** – This category reflects an overall increase. Customer Accounting reflects an increase of recovered cost from Utilities of \$242,780 mainly due to the increases in personnel costs, maintenance service contracts, and credit card charges.
- **Charges for Services** - This category reflects an overall decrease of \$254,530. Juvenile Detention Charges for Detention reflects a decrease of \$48,300 while City Jail and Adult Detention reflect decreases of \$78,230 and \$25,000, respectively. Recreation Department fees reflect increases.
- **Non-Categorical Aid** – The category reflects a decrease in two sources; State Aid to Localities – 599 (Police) and State Telecommunications Tax which has experienced decreases annually for several years.
- **State Aid – Categorical** – No change is reflected in Social Service Administrative reimbursement.
- **Transfers In** - The transfers from Utilities slightly increased from the prior year by \$79,000.

- **Transfer from Unreserved Fund Balance** – A transfer in from Unreserved Fund Balance of \$1,145,550 is proposed to fund pay plan adjustments and increased operating costs.

New or Increased Fees

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

Community Development – total estimated revenues \$2,700

<u>Fee Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Zoning verification letter fee	\$0	\$75	\$75

Fire – total estimated revenues \$23,000

<u>Fee Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Fire Protection Permit Plan Review Fees			
Sprinkler System (limited area, 13D, Dry Pipe, Standpipe)	\$30	\$150	\$120
Sprinkler System (ordinary, 13R)	\$30	\$300	\$270
Sprinkler Heads (per head)	\$0	\$5	\$5
Standpipe System Only	\$30	\$250	\$220
Standpipe System Only – each additional riser	\$0	\$100	\$100
Fire Pump (per pump)	\$30	\$300	\$270
Underground Fire Line (per line)	\$30	\$300	\$270
Fire Alarms (first 10 devices)	\$30	\$150	\$120
Fire Alarms (each additional after 10)	\$0	\$5	\$5
Hood System	\$30	\$150	\$120
Carbon Dioxide Extinguishing System	\$30	\$200	\$170
Clean Agent Extinguishing System	\$30	\$100	\$70
Dry Chemical System, Wet Chemical System	\$30	\$100	\$70
Fire Safety Educational Review	\$30	\$50	\$20
Revision & Revision/Resubmitted	\$30	\$50	\$20
Tank Install (per tank)	\$30	\$200	\$170
Fireworks (per site)	\$30	\$50	\$20
Fire Protection Inspection Fees			
Various Fire Protection Inspection Fees	\$100	\$200	\$100
Thermal Pest Control	\$0	\$200	\$200
Tank Install and Removal	\$100	\$200	\$100
Re-inspection Fee	\$30	\$200	\$170

FY 2024 Adopted Budget
Budget Highlights

Fee Description	Current	Proposed	Change
Fire Marshal's Office Permit Fees			
Blasting Permit (90 days)	\$125	\$1,000	\$875
Fireworks (per site, date specific)	\$100	\$400	\$300
Fumigation (14 days max, date specific)	\$100	\$200	\$100
Tank Removal – Abandonment (per tank)	\$100	\$200	\$100
Tank Install	\$100	\$400	\$300
False Alarm Fees			
3 rd False Alarm	\$50	\$100	\$50
4 th False Alarm	\$75	\$150	\$75
5 th False Alarm	\$100	\$200	\$100
6 th False Alarm and subsequent	\$125	\$500	\$375
Fire Marshal's Office Building Inspection Fees			
FMO Occupancy Evaluation, Shell, Tenant	\$100	\$150	\$50
Re-inspection Fee	\$30	\$150	\$120
FMO Inspection Package Fees			
Wet/Dry System – 4 heads or less	\$100	\$300	\$200
Wet System – 5 heads or more	\$100	\$500	\$400
Flow Test – 4 heads	\$100	\$150	\$50
Dry System – 5 heads or more	\$100	\$500	\$400
Hood System Test	\$100	\$150	\$50
Clean Agent System	\$100	\$150	\$50
Fire Alarm	\$100	\$300	\$200
Underground Fire Main	\$100	\$400	\$300
Standpipe	\$100	\$400	\$300
Fire Protection Permit Inspection - Rejection	\$27.50	\$150	\$122.50
Fire Protection Permit Inspection - Cancellation	\$27.50	\$50	\$22.50
Working Without Permit Fee	\$0	\$750	\$750

Parks and Recreation (all rental fees) – total estimated revenues \$7,690

Fee Description	Current	Proposed	Change
Pepsi Building (4 hour minimum)	\$325	\$400	\$75
Community Market (Community Rm)	\$480	\$560	\$80
Community Market (Building)	\$900	\$1,000	\$100
Ballou 6 & Anglers Park Shelter (5 hours)	\$45	\$50	\$5
Ballou 6 & Anglers Park Shelter (10 hours)	\$80	\$90	\$10
Ballou 2, Camilla & Coates Shelter (5 hrs)	\$30	\$35	\$5
Ballou 2, Camilla & Coates Shelter (10 hrs)	\$50	\$60	\$10
Ballou Park Stage (4 hr minimum)	\$180	\$200	\$20

FY 2024 Adopted Budget
Budget Highlights

<u>Fee Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
All other sites – private events (5 hours)	\$15	\$35	\$20
All other sites – private events (10 hours)	\$30	\$60	\$30
Coates Recreation Center (4 hour minimum)	\$250	\$325	\$75
Glenwood Recreation Center (4 hr minimum)	\$250	\$325	\$75
City Auditorium (4 hour minimum)	\$375	\$450	\$75
Ballou Park Recreation Center (downstairs)	\$325	\$400	\$75
Ballou Park Recreation Center (upstairs)	\$200	\$275	\$75
Camp Grove Recreation Center	\$250	\$325	\$75

Sanitation Fund – total estimated revenues \$225,800

<u>Fee Description</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Residential Refuse	\$16.50	\$17.50	\$1
Commercial Refuse	\$2	\$3	\$1
Sale of Refuse Carts (96 gallon)	\$50	\$60	\$10
Heavy Truck Tire	\$5	\$10	\$5
Passenger Tire	\$2	\$5	\$3
Yard Waste Disposal (begin charging residential)	\$10	\$10	\$0

Utility Funds

The Danville Utility Commission approved the following rate adjustments based on the results of the biennial rate study conducted in 2023 effective for fiscal years 2024 and 2025:

WATER ACCOUNTS

	<u>Current</u>	<u>Proposed</u>	<u>Increase/ (Decrease)</u>
Water Consumption Rate (per 100 Cubic Feet)	\$2.50	\$2.55	2.0%
Customer Charge			
5/8"	\$9.50	\$10.50	10.5%
1"	\$23.00	\$26.00	13.0%
1.5"	\$48.50	\$54.00	11.3%
2"	\$76.50	\$85.00	11.1%
3"	\$145.00	\$160.00	10.4%
4"	\$232.50	\$256.00	10.1%
6"	\$460.50	\$507.00	10.1%
8"	\$735.50	\$810.00	10.1%
Water Large Industrial Rate (per 1,000 Gallons)			
Over 1,000,000 GPD	\$2.10	\$2.15	2.4%
500,000 to 1,000,000	\$2.25	\$2.30	2.2%
200,000 to 500,000	\$2.40	\$2.45	2.1%

ELECTRIC ACCOUNTS

Electric – Customer Charge	Current	Proposed	Increase / (Decrease)
Residential (RS)	\$11.00	\$12.50	13.6%
Small General Service (SGS)	\$16.50	\$19.00	15.1%
Worship Sanctuary (WSS-15)	\$50.00	\$52.00	4.0%
Medium General Service (MGS-1)	\$100.00	\$125.00	25.0%
Medium General Service (MGS-2)	\$75.00	\$75.00	0.0%
Medium General Service (MGS-3)	\$120.00	\$150.00	25.0%
Large General Service (LGS-1)	\$450.00	\$500.00	11.1%
Large General Service (LGS-2)	\$450.00	\$500.00	11.1%
Large General Service (LGS-3)	\$450.00	\$450.00	0.0%
High Load Factor Industrial Rate (HLF)	\$745.00	\$800.00	7.4%

Electric Customer	Energy Current Price Per kWh	Energy Proposed Price Per kWh	Energy Monthly Increase/ (Decrease)	Demand Current Price Per kW	Demand Proposed Price Per kW	Demand Monthly Increase/ (Decrease)
Residential (RS)	\$0.1200	\$0.1190	(0.83%)	-	-	-
Small General (SGS)	\$0.1200	\$0.1190	(0.83%)	-	-	-
Worship Sanctuary (WGS-15)	\$0.01075	\$0.1088	1.21%	\$2.60	\$3.00	15.4%
Medium General (MGS-1)	\$0.0690	\$0.0665	(3.62%)	\$14.00	\$14.50	3.6%
Medium General (MGS-2)	\$0.0628	\$0.0589	(6.21%)	\$13.14	\$13.14	0%
Medium General (MGS-3)	\$0.0735	\$0.0687	(0.94%)	\$14.00	\$14.50	3.6%
Large General (LGS-1)	\$0.0640	\$0.0600	(0.94%)	\$17.04	\$17.50	2.7%
Large General (LGS-2)	\$0.0630	\$0.0583	(0.93%)	\$16.79	\$17.25	2.7%
Large General (LGS-3)	\$0.0640	\$0.0600	(0.94%)	\$17.04	\$17.50	2.7%
High Load Factor – HLF	Market	Market		\$6.29	\$6.50	3.4%

CUSTOMER LIGHTS

LED	Current (Existing Pole)	Proposed (Existing Pole)
53W-Code 30	\$8.40	\$8.57
73W-Code 32	\$9.20	\$9.38
106W-Code 34	\$10.35	\$10.56
161W-Code 36	\$11.60	\$11.83

LED	Current (New Wood Pole)	Proposed (New Wood Pole)
53W-Code 31	\$12.40	\$12.65
73W-Code 33	\$13.20	\$13.46
106W-Code 35	\$14.35	\$14.64
161W-Code 37	\$15.60	\$15.91

Decorative LED (Sternberg, Colonial, Acorn, Contemporary)

	Proposed
70W-New Code (Replaces codes 50,51,63,64,69,70,71,7 2,73)	\$24.50

STREETLIGHTS

LED	Current (Existing Pole)	Proposed (Existing Pole)
53W-Code 80	\$8.40	\$8.57
73W-Code 84	\$9.20	\$9.38
106W-Code 88	\$10.35	\$10.56
161W-Code 92	\$11.60	\$11.83

LED	Current (New Wood Pole)	Proposed (New Wood Pole)
53W-Code 81	\$12.40	\$12.65
73W-Code 85	\$13.20	\$13.46
106W-Code 89	\$14.35	\$14.64
161W-Code 93	\$15.60	\$15.91

LED	Current (Wood Pole - Underground)	Proposed (Wood Pole - Underground)
53W Code 82	\$15.55	\$15.86
73W-Code 86	\$9.20	\$9.38
106W-Code 90	\$10.35	\$10.56
161W-Code 94	\$11.60	\$11.83

LED	Current (Aluminum Pole - Underground)	Proposed (Aluminum Pole - Underground)
53W Code 83	\$20.15	\$20.55
73W-Code 87	\$20.95	\$21.37
106W-Code 91	\$22.10	\$22.54
161W-Code 95	\$23.35	\$23.82

Decorative LED (Sternberg, Colonial, Acorn, Contemporary)

	Current	Proposed
70W-New Code (Replaces codes 6,17,18,19)	\$0	\$24.50

Expenditures

Changes in major expenditures are as summarized as follows:

	FY 2023 Adopted Budget	FY 2024 Adopted Budget	Increase (Decrease)
Salaries & Benefits:			
Salaries & Wages (FT, OT & PT) & FICA	\$ 48,856,190	\$ 52,707,930	\$ 3,851,740
Salaries & Wages - Adjustments	3,764,320	4,325,990	561,670
Employees' Retirement System	2,137,290	2,500,710	363,420
Group Health Insurance	9,120,000	10,625,180	1,505,180
Other Operating Expenditures:			
Repairs & Maintenance-Vehicle	351,000	477,000	126,000
IT Technology	919,850	1,053,060	133,210
Maintenance Service Contracts	3,244,990	3,583,650	338,660
Advertising & Marketing	323,100	624,330	301,230
Outside Purchased Services	2,660,310	2,941,960	281,650
Motorpool Rentals	969,460	1,117,830	148,370
Technology Support	919,850	1,053,060	133,210
Travel & Training	788,480	932,980	144,500
Credit Card Charges	450,000	490,000	40,000
Materials & Supplies	688,350	754,760	66,410
Gas/Lubricants	151,000	225,000	74,000
Contributions-Other Entities	1,690,620	1,695,860	5,240
Machinery & Equipment	958,820	553,760	(405,060)
Motor Vehicles & Equipment	405,060	276,030	(129,030)
Technology Equipment	600	600,780	600,180
Debt Service	5,389,470	5,780,100	390,630
Contingency Appropriation	100,000	138,700	38,700
Funding Reimbursement	(1,337,600)	(1,442,900)	(105,300)
Transfers To/From Other Funds:			
Support of Capital Projects	-	1,021,850	1,021,850
Support of Grants	780,000	1,380,000	600,000
Transfer to RIFA	301,240	370,140	68,900
Economic Development Incentives	-	2,728,730	2,728,730
Transfer Out to Motorized Equipment Fund	292,710	571,380	278,670
Transfer Out to Retirement System	650,000	-	(650,000)
All Other Expenditures	37,962,470	42,610,380	4,647,910
	<u>\$ 122,537,580</u>	<u>\$ 139,698,250</u>	<u>\$ 17,160,670</u>

- **Salaries & Wages** – This increase is based on Pay-for-Performance which was budgeted in Non-Dept Salary Adjustments in FY 2024 and additional personnel (see details in the All Funds section below).
- **Repairs & Maintenance - Vehicle** – Rising costs and supply chain delays require keeping vehicles longer than anticipated. This has resulted in higher repair costs.

- **IT Technology** – This is a cross charge from Information Technology to departments for PC Support. There is a recovery in the revenue section for the General Fund portion.
- **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).
- **Travel & Training** – The increase in this line item is for new or higher costs in Youth & Gang Coordinator, Fire, Customer Accounts, Sheriff, Information Technology, Police, and Tourism.
- **Machinery & Equipment** – This line decreased since the replacement of computer hardware has been moved its own line item.
- **Technology Equipment** – This line increased due the replacement of computer hardware, which is done on a rotating basis. In previous year, these costs were included Machinery & Equipment, but has now been moved to its own line.
- **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 Retirement System** – The City's financial policies allow a lump-sum bonus to qualified retirees in the event certain criteria are met. The criteria were met to pay out a bonus in FY2023. **The criteria were not met for FY2024.**

- **Capital & Special Projects** - See “All Funds” Section
- **Pay-for-Performance Salary Increase** – See “All Funds” Section
- **Minimum Wage Adjustment** – See “All Funds” Section
- **Employee Retirement System** – See “All Funds” Section
- **Debt Service** - See “All Funds’ Section

All Funds

Following are schedules that are not fund specific.

Capital & Special Projects

Below is a chart showing a summary for the City's Proposed Capital & Special Projects-
for FY 2024.

Capital & Special Projects - All Funds

Fund Balance	\$ 3,443,679
General Fund Revenues	165,000
Contribution-in-Aid	50,000
Other	1,601,813
Utility Revenues	3,250,000
Utility Fund Balance	1,000,000
Funding authorized through separate actions (grants)*	20,462,275
General Obligation Bonds*	23,753,467
Total Capital Projects - All Funds	<u>\$ 53,726,234</u>

* A separate appropriation ordinance is required for these items

Pay-for-Performance

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 FY 2024 Budget includes funding for an average 3% pay-for-performance salary increase pending City Council approval of the budget. Each fund will be impacted as shown on the chart below.

<u>Fund</u>	<u>Budgeted</u>
General Fund	\$ 1,525,990
Less:	
Social Services State Funding	(153,440)
JDF Partners Reimbursement	(69,850)
General Fun, net	\$ 1,302,700
VDOT	109,410
Central Collections	3,320
Motorized Equipment	33,720
Mass Transit	52,780
Sanitation	42,540
Cemeteries	17,740
Sewers	25,950
Wastewater	2,730
Water	63,110
Gas	46,390
Electric	170,850
Telecommunications	5,140
Totals	<u>\$ 1,876,380</u>

Minimum Wage Adjustment

The Statewide minimum wage was increased by the Virginia General Assembly. The Code of Virginia requires every employer to pay wages at a rate not less than \$12 per hour from January 1, 2023 until January 1, 2025 per Code Section 40.1-28-10D. Below is the cost to continue implementation of the minimum wage changes made effective January 1, 2023 by fund.

<u>Fund</u>	<u>Budgeted</u>
General Fund	\$ 717,840
VDOT	59,050
Central Collections	2,320
Motorized Equipment	18,140
Mass Transit	29,800
Sanitation	23,350
Cemeteries	9,330
Wastewater	15,430
Water	35,980
Gas	28,620
Electric	107,390
Telecommunications	2,750
Totals	<u>\$ 1,050,000</u>

Retirement

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

Fund	Budgeted
General Fund	\$ 180,530
VDOT	10,280
Central Services	410
Motorized Equipment	3,280
Transportation	3,970
Sanitation	4,060
Cemetery	1,500
Wastewater	2,790
Water	5,390
Gas	4,020
Electric	17,660
Telecommunications	630
Total	\$ 234,520

Debt Service

The chart below shows the changes in debt service for FY 2024.

	<u>FY 2023 Adopted</u>	<u>FY 2024 Adopted</u>	<u>Increase (Decrease)</u>
General Fund			
General Government Bonds	\$ 3,335,680	\$ 3,668,430	\$ 332,750
Juvenile Detention Bonds	287,190	171,520	(115,670)
Social Service Building Bonds	25,710	29,310	3,600
School Bonds	1,705,390	1,874,690	169,300
City Share of RIFA Bonds	226,240	270,136	43,896
Reimbursable Agreements	31,250	31,250	-
Fiscal Agent Fees	4,250	4,900	650
General Fund Total	<u>\$ 5,615,710</u>	<u>\$ 6,050,236</u>	<u>\$ 434,526</u>
Utilities			
Bonds			
Wastewater Fund	\$ 190,390	\$ 196,000	\$ 5,610
Water Fund	210,210	742,180	531,970
Gas Fund	113,870	116,880	3,010
Electric Fund	4,598,930	6,001,860	1,402,930
Utilities Total	<u>\$ 5,113,400</u>	<u>\$ 7,056,920</u>	<u>\$ 1,943,520</u>
Other Funds - Bonds/Leases			
Capital Leases	<u>\$ 119,100</u>	<u>\$ 125,800</u>	<u>\$ 6,700</u>
Other Funds Total	<u>\$ 119,100</u>	<u>\$ 125,800</u>	<u>\$ 6,700</u>
Total All Funds	<u>\$ 10,848,210</u>	<u>\$ 13,232,956</u>	<u>\$ 2,384,746</u>