

## **Budget/Finance/Audit Committee**

### **May 8, 2023 at 1:30 pm**

#### **Committee Members:**

Bobby Bloomer – Chairman  
Nancy Bailey  
Tyler Hughes

#### **Also Attending:**

Stephen Lawson – Town Manager  
Amanda Hawkins – Town Clerk/Treasurer

Chairman Bloomer called the meeting to order.

The purpose of the meeting was to review the proposed balanced FY2023-24 Budget. The General Fund budget was \$6,114,590; the Water Fund budget was \$2,834,600; and the Sewer Fund budget was \$1,704,600. The total budget for all funds \$10,653,790.

Amanda Hawkins explained the proposed budget included a reduction of the PPTRA discount rate from 55% to 40% for the upcoming tax bills. Due to the Wise County Board of Supervisors decision at their March 9<sup>th</sup> meeting – reducing the assessment value for used vehicles in the county to 92 % of the J.D. Power book value – as well as the annual evaluation of the total discounted dollars the change was needed to attempt to match what the Town is reimbursed by the state of Virginia annually. The assessment by the Wise County Commissioner of the Revenue is used by the Town for all tax assessments so the change in the assessment calculation formula will affect the Town as well. Hawkins also noted that with the 1% increase in the meals tax rate in FY22-23 the Town was only \$5,000 from exceeding the budgeted amount for the current fiscal year with two more months remaining in the fiscal year. This allowed for a projected increase in expected revenue collection for FY23-24. With the additional transient occupancy taxes being paid by the Airbnb rentals and an increase in travelers the transient occupancy tax had already surpassed the budgeted amount for the current fiscal year and justified a moderate increase in projected revenue collection for FY23-24. Hawkins stated the proposed budget also included a 3% water and sewer rate increase for all customers – both in-town and out -of-town residents. The rate increase would result in approximately \$32,400 of additional revenue in the water fund and \$34,000 of additional revenue in the sewer fund.

Stephen Lawson explained that due to the increases in minimum wage in the past 3 years we are experiencing compression within our pay scale. Some of our newly hired employees are very close to matching the pay of our oldest employees. We have made small adjustments to combat this in the past, but it is still an issue. Therefore, this proposed budget includes a 3% COLA increase for all full-time employees. In addition to the COLA employee evaluations, performed by the direct supervisor, were considered in determining if an additional increase was warranted. Any employee with 5 years of service or more and had a good evaluation from their supervisor was given the COLA and an additional step.

A discussion of the Cultural Enrichment department funds followed. Chairman Bloomer adjourned the meeting at 2:45 pm.

**RECOMMENDATION: The Budget/Finance/Audit Committee unanimously recommends that Council authorize a Public Hearing on Ordinance 08-2023 on June 6, 2023 at 6:30 pm for the purpose of receiving public comment regarding the proposed FY2023-24 Budget which contains (1) a 3% in-town and a 3% out-of-town water and sewer rate increase, and (2) a reduction in the PPTRA discount rate from 55% to 40%.**