

Budget/Finance/Audit Committee

June 11, 2024 at 4:00 pm

Committee Members:

Bobby Bloomer – Chairman
Tyler Hughes

Also Attending:

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

Absent Member:

Nancy Bailey

Chairman Bloomer called the meeting to order.

The purpose of the meeting was to review the proposed balanced FY2024-2025 Budget. The General Fund budget was \$5,978,015; the Water Fund budget was \$7,250,200; and the Sewer Fund budget was \$1,856,357. The total budget for all funds is \$15,084,572.

Clerk/Treasure Amanda Hawkins explained the proposed General Fund budget included an increase to meals taxes and transient occupancy tax as well as a decrease in cigarette tax revenue. The proposed Water Fund budget included a 2% rate increase for both in-town and out-of-town customers. The proposed Sewer Fund budget included a rate increase of \$0.80 to the over 1,000-gallon rate only for both in-town and out -of-town residents. The Water and Sewer Fund rate increases were needed to ensure the Town met the coverage ratio for utility fund debt currently in place with Virginia Resource Authority. The rate increase would result in approximately \$58,600 of additional revenue in the water fund and \$99,600 of additional revenue in the sewer fund.

Town Manager Stephen Lawson explained a 3% step increase that department heads had input in determining the allocation of that departmental increase based on merit. For example, two Public Works employees were compared, Employee 1 received a 2% increase while Employee 2 received a 4% increase based on merit. Essentially redistributing the total 6% increase to the two employees within the same department. Most departments received level funding from the current budget for FY2024-2025. Capital project requests had been submitted as a prioritized list from each department head. We funded a few of those requests but not all. The Cultural Enrichment department had increased significantly due to the request from The Gap Partnership.

Chairman Bloomer adjourned the meeting at 4:45 pm.

RECOMMENDATION: The Budget/Finance/Audit Committee unanimously ,recommends that Council authorize a Public Hearing on Ordinance 16-2024 on June 17, 2024 at 6:00 pm for the purpose of receiving public comment regarding the proposed FY2024-25 Budget which contains (1) a water rate increase of 2% for in-town and out-of-town customers and (2) a sewer rate increase of \$0.80 to the over 1,000 gallon rate only for in-town and out-of-town customers.