

**Town Council
Proposed
Budget Presentation 2024
March 28, 2023**



THE PLACE TO BE.
CHRISTIANSBURG VA

Proposed Budget- Fiscal Year 2023-24

Town's Budget is comprised of 6 distinct funds:

Water and Sewer Enterprise

All revenues, expenses and capital acquisitions are maintained within this fund and is not supported by any revenues from the general fund.

Storm Water Enterprise

All revenues, expenses and capital acquisitions are maintained within this fund and is occasionally supported by the general fund for major capital improvements.

Special Revenue

All revenues and expenditures are for a specified purpose as determined by the source of revenue. Some of these are funded by specific grants from the State and or Federal government.

Proposed Budget- Fiscal Year 2023-24

Capital Projects

These funds are used to account for capital projects that are not part of the enterprise funds such as streets, trails, sidewalks. Many of these projects are funded at least in part by state and federal grants with the general fund supporting any costs over and above any grant proceeds.

Cemetery Fund

This fund is required by generally accepted accounting principles (GAAP) to be in a permanent fund because we are required to build a fund that when lots are no longer available for sale the proceeds from the fund can provide income for continuous care of the cemetery.

General Fund

This is the primary fund of the government that collects revenues from all sources other than those belonging to another fund, all tax revenues, meals lodging etc. This is also the fund that houses all the activities and programs of the government. Administration, police, fire, rescue, recreation, aquatics, planning engineering etc.

Proposed Budget- Fiscal Year 2023-24

- Town's Budget Policy requires the first draft be presented second meeting in March (3/28/23).
- Overall, economic outlook not as gloomy as prior years, except for the very high inflation rate.
 - Meals tax is still trending upward and exceeding current year expectations.
 - Sales and lodging taxes are not as strong as last year and are actually down slightly (likely in response to consumer worries as to the direction of the economy)

Proposed Budget - Fiscal Year 2023-24

- **Meals Tax**

- Trending 10% above last year
- Trending 29% over 2019 pre-Covid numbers
- Projecting a moderate 1% increase in meals tax for FY 2023-24

- **Lodging Tax**

- Trending 12% over 2019 pre-Covid numbers
- Trending down 10% from last year
- Leaving revenue for next year flat
- We do expect to meet this year's forecast

Proposed Budget- Fiscal Year 2023-24

- **Sales Tax**

- Trending down 3% for the first 7 months compared to prior year
- Leaving revenue flat for next year

- **Personal Property Tax**

- Expected to remain relatively flat for next year

- **Real Estate Taxes**

- Estimated to increase \$200,000 based on increase construction and new building
- Estimated to increase approximately \$300,000 based on a rate of \$0.14 per \$100 in assessed value

Proposed Budget- Fiscal Year 2023-24

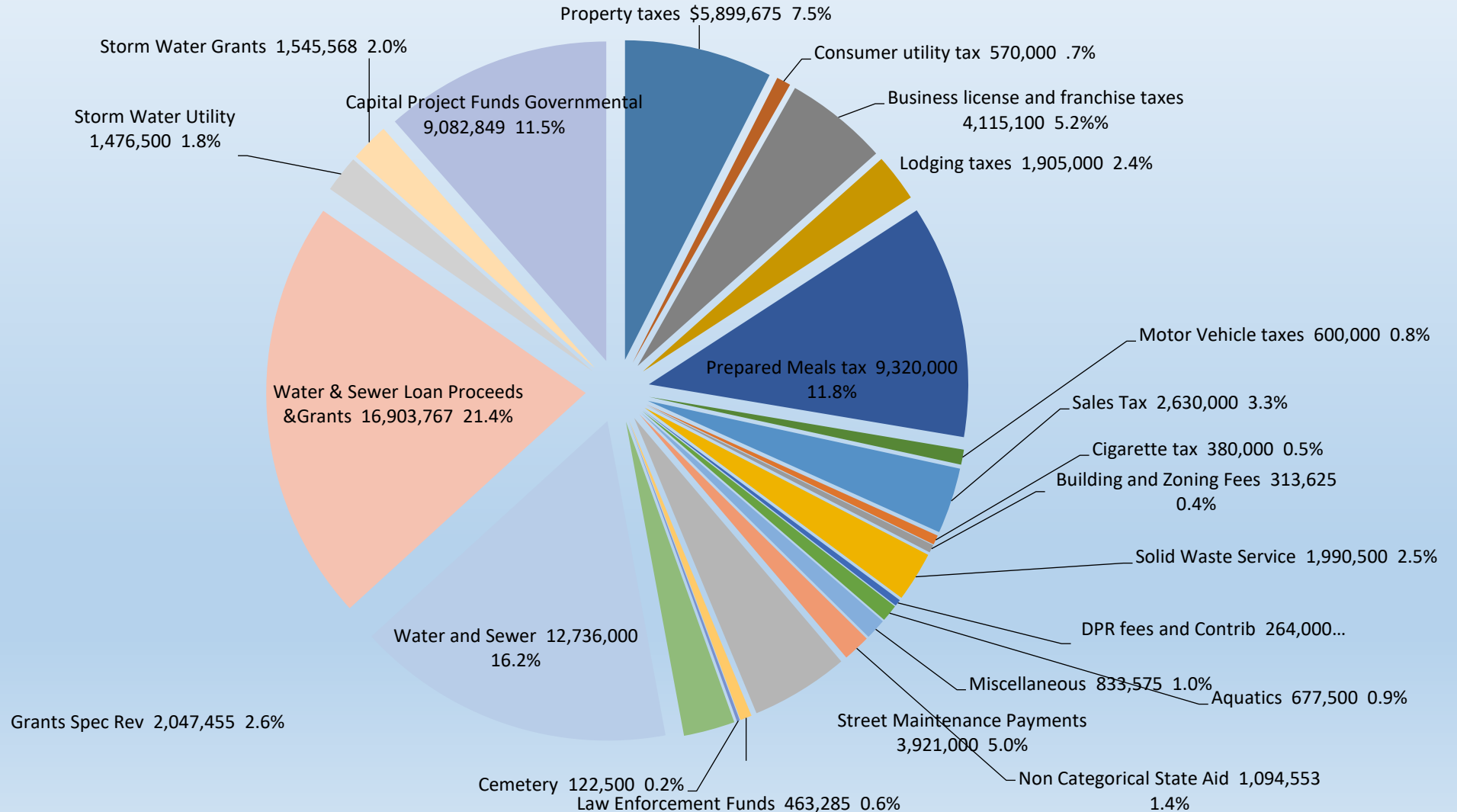
- This budget is proposed as what is needed to sustain operations and continue capital improvements throughout the Town in the upcoming year.

- Sources of Funds:

• Revenues all Funds	78,892,452
• General fund assigned	2,400,000
• General fund Unassigned	2,284,627
• Special Revenue fund balances	2,674,855
• Water & Sewer enterprise fund balances	4,067,469
• Storm Water Enterprise fund balances	<u>1,337,578</u>
• Total sources of funds	91,656,981

Proposed Budget- Fiscal Year 2023-24

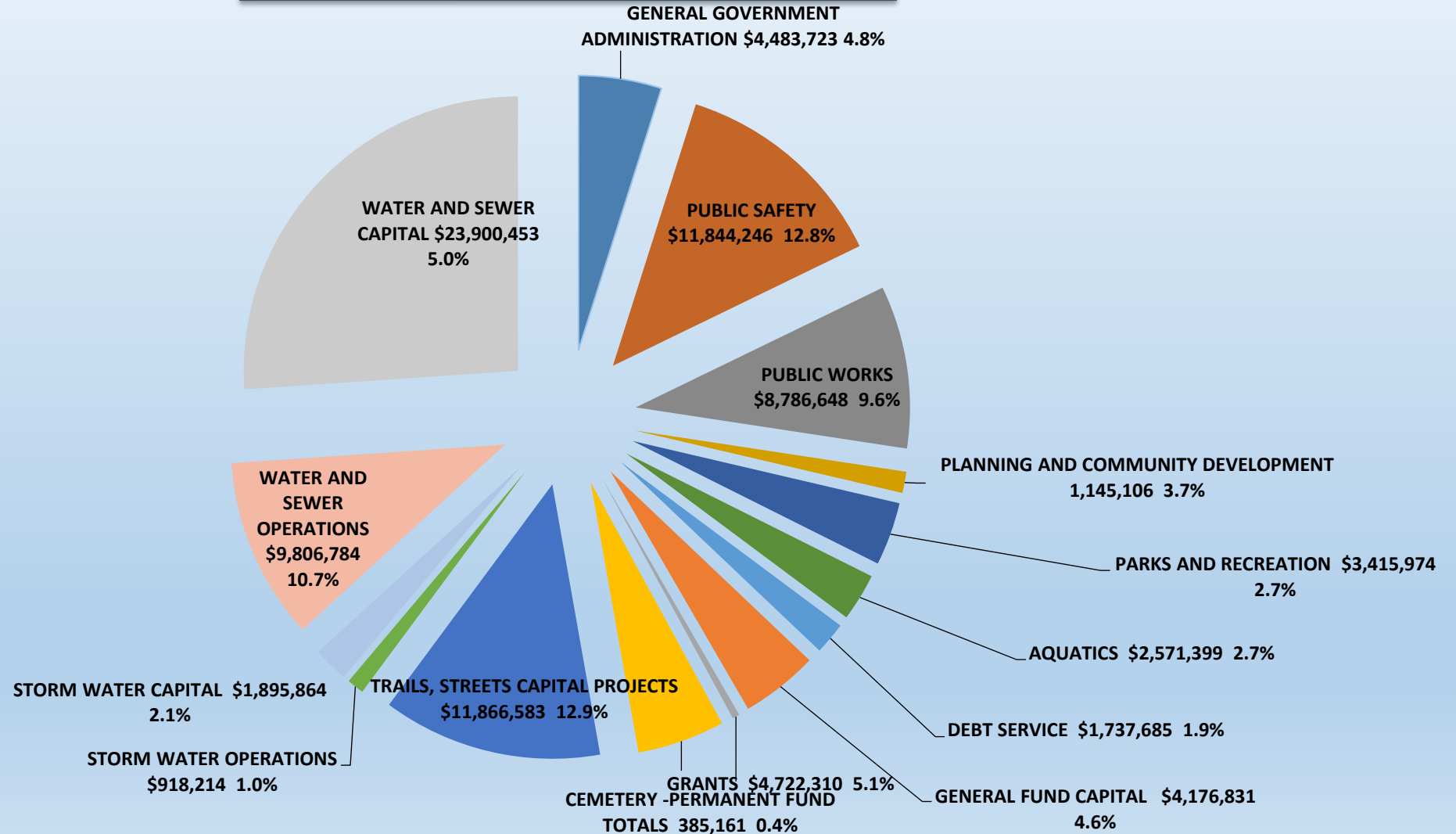
BUDGET 2024 REVENUES
\$78,892,452 Where the funds come from



Proposed Budget- Fiscal Year 2023-24

Proposed Budget- Fiscal Year 2023-24

APPROPRIATIONS 2023-2024 BUDGETS \$91,656,981 What the funds are spent on



Proposed Budget - Fiscal Year 2023-24

- Proposed tax increase on real estate
 - The real estate reassessments by the County increased property values by 23.55%.
 - The lowered rate to offset the increased assessments would be \$0.130803 per \$100.
 - This budget proposes a reduction of our current rate of \$0.16 per \$100 to \$0.14 per hundred.
 - The effective tax increase is \$0.009197 per hundred or less than 1 cent.

Proposed Budget- Fiscal Year 2023-24

- Includes a proposed water rate increase deferred from FY 2022-23
 - 2022 scheduled rate change is \$9.00 to \$10.00 per month for the first 1,000 gallons.
 - Proposed change in rate for over 1,000 – currently \$11 per 1,000 gallons to \$12 per 1,000 gallons. Estimated increased revenue is \$350,000. Increase the rate for all gallons over 50,000 from \$8.25 per thousand to \$9.00 per thousand.
 - Our current rate to purchase water from the authority sits at \$4.13 per 1,000 gallons.
 - Water & Waste Committee recommended raising the outside rate from 150% of inside rates to 200% of inside rates. Estimated additional revenue is \$150,000.

Proposed Budget - Fiscal Year 2023-24

Capital Projects

- Reduced some of the capital projects going into next year since we have committed to a number of very large projects over the next couple years from general fund resources.

Proposed Budget - Fiscal Year 2023-24

Capital Projects: Water and Sewer Fund

- Several ongoing and new large capital projects in the water and sewer fund. We reduced a few of these based on revenue and fund balance availability to fund.
- Received approval for a low-interest loan through VRA for projects that need to be done to upgrade the plant and reduce future possible DEQ violations. Currently that is set at \$9.3 million but we have asked to have that number increased to include a few additional projects. We are hoping for up to \$15 million for the added projects which is included in this proposed budget

Proposed Budget- Fiscal Year 2023-24

Capital Projects: Storm Water Fund

- Proposed projects include the Hickock Street improvements
- Industrial Park Storm Water Management
- The expansion of the College Street Drainage project is reduced to the funds available in the ARPA funds

Proposed Budget- Fiscal Year 2023-24

Blacksburg Transit Operational Increases

- FY 2022-23 Local funding requirement – \$503,451
- BT provided staff several funding scenarios – and all involved a budget increase.
- FY 2023-24 Proposed Scenario – Local funding requirement – \$626,712 (24.5% increase or \$123,261)
 - Hours budgeted on Go Anywhere reduced to provide 2 GAR buses during peak travel times (approximately 7 am to 9:30 am & 2 pm to 5 pm), all other hours of Go Anywhere would have one GAR bus available for scheduling. This scenario limits availability to schedule a trip during a portion of the day (middle of the day), but does not change the span of service operated (GAR Service still available 7am to 5:45 pm Monday through Friday & 9:30 am to 4:45 pm Saturday). This break in the middle of the day still allows for a majority of current riders to get to and from work each day with minimal disruption.

Proposed Budget- Fiscal Year 2023-24

New positions in FY 2023-24 Budget:

- Seven new positions requested
 - Aquatics 1 additional fulltime custodian and 1 special events coordinator
 - Fire department, 1 fulltime fire fighter and 1 administrative assistant
 - Rescue 3 EMS positions
- Recommendation is 2 EMS positions, Council indicated addition of the administrative assistant. These 3 positions are included in the proposed budget

Budget Work Session - Fiscal Year 2023-24

Staffing and Compensation

- The state is including a 7.0% COLA in the budget.
- The Town of Blacksburg is including a 5.0% COLA and 2.0% for step increases in their proposed budget.
- Montgomery County and Radford City are including a 7.0% COLA in their proposed budget.
- Town of Christiansburg proposed:
 - 5% COLA - \$764,000 annually (\$573,000 budget amount)
 - 2% Merit - \$305,500 annually (\$229,125 budget amount)

Proposed Fiscal Year 2023-2024 Budget – Assigned Reserves

	FY 2023-24 Addition
Rescue Truck Reserve	\$50,000
Fire Truck Reserve	\$200,000
Public Works Complex	\$100,000
Aquatics Maintenance	\$100,000
Software Reserve	\$50,000
Emergency Services Bldg.	\$150,000
TOTAL	\$ 650,000

Community Support Applications

survey for community support				
2024			1=yes 0 =no	
	AWARDED	REQUESTED	score	
	2023	2024		notes
Wonder Universe/ Blacksburg Children's Museum	\$ 25,000	\$ 10,000		
Boy Scouts of America	\$ 2,500	\$ -		No request received for 2024
Boys & Girls club	\$ 10,000	\$ 10,000		
Brain Injury	\$ -			no request received for 2023 or 2024
Childrens Trust	\$ 7,000			No request received for 2024
Christiansburg Comm. Center	\$ 11,450			No request received for 2024
Christiansburg Inst.	\$ 10,000			No request received for 2024
Community Health Center formerly free clinic		\$ 10,000		no request received for 2023
Downtown Christiansburg Inc. DCI				no request received for 2023 or 2024
Good Samaritan Hospice	\$ 5,000	\$ 5,000		
Literacy Volunteers	\$ 1,738	\$ 1,912		
Live Work Eat Grow	\$ -	\$ 10,000		
MCEAP Montgomery County Emergency Assistance Program	\$ 3,000	\$ 5,000		
Montgomery Christmas Store	\$ 5,000	\$ 5,000		
Montgomery Museum	\$ 18,000	\$ 10,000		
New River Community Action /Homeless Interventi	\$ 9,312	\$ 9,777		
New River Community Action/ Family Shelter Inc	\$ 3,500	\$ 5,000		
New River Community Action/ Our House	\$ 2,100	\$ 5,000		
NRV Area on Aging	\$ 5,049	\$ 9,003		
NRV Cares Child advocacy	\$ 5,000	\$ 5,000		
Habitat for Humanity				no request received for 2023 or 2024
TCG The Community Group				no request received for 2023 or 2024
United Way of Montgomery Radford and Floyd	\$ -			no request received for 2023 or 2024
YMCA at Virginia Tech	\$ 10,000	\$ 10,000		
Salvation Army	\$ 10,000	\$ 10,000		
TOTAL	\$ 143,649.00	\$ 120,692.00		

Budget Work Session – Fiscal Year 2023-24

Next steps:

- Work Sessions with Council as requested
- Hold public hearing on water rate increases May 9
- Hold public hearing on tax increase May 9
- Hold public hearing on the budget May 23
- Consider comments from the public hearings and make adjustments to budget as deemed appropriate
- Final budget approval must be approved by June 30, 2023

Budget Work Session - Fiscal Year 2023-24

QUESTIONS AND DISCUSSION