

Council Given \$200 Million Draft Budget

Pay Raise, Tax And Rate Increases Proposed In City Spending Plan

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Excavators dig in an area Tuesday where new offices for the Harrisonburg Department of Public Transportation will be located on East Washington Street.

HARRISONBURG — City Manager Kurt Hodgen revealed his proposed fiscal 2014 budget Tuesday night, including a 2 percent pay increase for employees and a 4-cent increase to Harrisonburg's real estate tax rate.

City Council members did not discuss the proposal but will hold a public hearing April 23. The draft spending plan will be available online by Friday or can be viewed starting today in the city manager's office at 345 S. Main St.

Hodgen's nearly \$200 million proposal, which would take effect in the new budget year that begins July 1, is a 5 percent, or \$10 million, increase from the current approved plan.

A large chunk, as usual, belongs to Harrisonburg City Public Schools, which has adopted a \$59.7 million budget that calls for \$26.7 million in city funds.

The new request is \$1.7 million above the city's current allocation to the school division, according to Superintendent Scott Kizner.

Hodgen's draft includes a 2 percent pay raise for employees, which will cost about \$690,000, and a hike in the real estate tax rate from 63 cents per \$100 of assessed value to 67 cents.

The city's current property tax rate, which was increased by 4 cents for the current fiscal year, is the second-lowest among Virginia municipalities.

Employees, meanwhile, received a 5.75 percent pay raise this year, but that was offset by having to contribute more into their Virginia Retirement System accounts.

The draft budget also includes increases to water (7 cents per 1,000 gallons used) and sewer rates (19 cents per 1,000 gallons) and funding to cover the cost of 7.5 new positions.

Most of those positions are for the Harrisonburg Police Department: four patrol officers, an investigator and a part-time clerk. The other jobs are a GIS technician and a human resources position.

Hodgen said he cut \$5 million from department requests, but added that the city already started construction on or will soon break ground on numerous capital projects.

One of those projects is the new Harrisonburg Department of Public Transportation facility on East Washington Street. The \$15 million development is funded in the current budget, Hodgen said, but an annual debt service payment of \$600,000 will begin next fiscal year.

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