

## **City Council Approves Budget, Tax Hikes**

### **Unanimous Vote On \$199M Blueprint Goes As Expected**

**By PRESTON KNIGHT**

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**HARRISONBURG** — City Council gave final approval to its fiscal 2013 budget Tuesday night.

The favorable vote for the \$ 199.2 million spending plan was expected after members offered preliminary approval two weeks ago. The budget, which takes effect July 1, increases the meals and lodging tax rates from **6** to **6.5** percent and hikes the real estate tax rate from 59 cents per \$100 of assessed value to 63 cents.

The vote Tuesday was a unanimous 4- 0, with Councilman Ted Byrd absent. Councilman Kai Degner was the lone dissenting vote two weeks earlier, but it's customary for members to approve an item on the city's consent agenda if they know they do not have enough votes to change the outcome.

The consent agenda is a block of items normally approved with no discussion because they have been adopted at an earlier meeting. The budget was on the consent agenda Tuesday.

After the meeting, Degner said the meals and lodging tax can be revisited in future budgets. He had voted against the plan because he saw the city's vehicle tax as a more acceptable area to increase.

Business owners had asked council to reject raising the meals and lodging tax. They say tourists will now be dissuaded from visiting.

Council members say increased spending requirements from the General Assembly left them no choice but to raise taxes.

Next year's budget is \$ 2.5 million less than the current adopted plan.

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