

# No Comments At Budget Hearing

By NOLAN STOUT, *Daily News-Record*

**HARRISONBURG** — Rockingham County residents aren't publicly voicing any qualms about impending tax increases.

No one spoke against the county's proposed \$377.6 million budget for fiscal 2018, which begins July 1, at a public hearing Wednesday.

The proposal includes a 4 cent increase in real estate taxes, 10 cent increase for personal property taxes, and, for some residents, hikes in water and sewer fees.

The budget is 4.6 percent larger than the \$360.9 million budget adopted for fiscal 2017, with most of the increase coming from the school division.

Rockingham County Public Schools asked for a \$4 million increase in local funds for its budget. Facing a \$6 million gap between revenues and expenditures, county officials cut the request by \$1 million to \$62.4 million.

The school system said the increase was necessary to fund a 2 percent salary increase for all employees, an additional raise for teachers with more than 10 years' experience, the digital conversion initiative, three construction projects and engineering for two others.

Other departments suffering cuts to requested funding to minimize tax increases were Fire and Rescue and the sheriff's office.

"This budget represents absolute minimums," County Administrator Stephen King said.

Schools Superintendent Carol Fenn said at the hearing that the division will continue its plan to increase salaries for experienced teachers while delaying renovation projects and other expenditures.

## Tax And Fee Increases

The real estate tax hike is expected to generate \$3 million in additional revenue.

The levy would increase to 74 cents per \$100 of assessed value, its highest point since 2000. For a \$200,000 home, it amounts to an additional \$40 per semiannual tax bill. The personal property tax would increase to \$3 per \$100 of assessed value, which translates to an \$11.30 increase on a \$10,000 car and a \$32.20 increase on a \$25,000 car. The change will generate about \$500,000 in additional funds.

Water and sewer rates will increase for residents in the Three Springs sanitary district, which covers McGaheysville and would absorb the Penn Laird Sewer Authority if the budget is approved.

The base rate for water up to 3,500 gallons would jump \$1 to \$12.50. Between 3,500 and 5,000 gallons, the rate would increase by \$1.22 to \$3.80 per 1,000 gallons.

For sewer usage, residents are only charged after using 1,000 gallons. If the budget is approved, a minimum sewer rate of \$6 would be set for 999 gallons or less. The cost for sewer used over 1,000 gallons would increase 6 cents to \$5.15 per 1,000 gallons.

The changes translate to around a \$3 per monthly bill increase, or \$38 more per year for the average user.

King said the tax increases would also prepare the county for at least \$2.2 million in additional expenditures coming in fiscal 2019.

The increased costs will come from the final phase of the school system's digital conversion initiative, which will give elementary school students a device they can use in the classroom; debt service from renovation projects at two schools and construction on a third; and funding for nine firefighters, which is being covered through a federal grant that runs out in January 2019.

King said Rockingham has few options for increased revenue as state law prohibits counties from increasing their meals tax rates past 4 percent. In comparison, Harrisonburg's rate is 6.5 percent, and city officials are recommending it increase to 7 percent.

Rockingham's rate is 4 percent, and King said raising it to match the city's could generate \$625,000 — enough to knock at least 1 cent off the real estate tax increase. The county has lobbied state officials to give counties the same taxing authority as cities because without the ability to increase meals tax rates, "you're just shifting the burden" to real estate taxes, King said.

## **Expenditures**

The budget includes funding for two road construction projects — expanding Reservoir Street and adding a turn lane on U.S. 33. The county plans to expand Reservoir from two to four lanes with a median between the city limits and Stone Spring Road. A right-turn lane on U.S. 33 from Stone Spring Road to Massanetta Springs Road is included as well. "The county needs to back off on road construction for a while after these are complete so we can start to re-evaluate priorities," King said. Also included is a project to replace aging water lines in McGaheysville; a 2 percent salary increase for all employees; a new tanker for the McGaheysville Volunteer Fire Company, which is mostly covered through grant funding; an ambulance; and an expansion to the county's landfill. The landfill project is covered through tipping fees, and the water line replacement is funded through water and sewer fees. The board is expected to vote on the budget at its April 26 meeting.

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