



How can citizens provide feedback?

March 22, 7:15 p.m., Board of Supervisors meeting. Citizens may comment during the public address portion of the agenda.

March 29, Board of Supervisors meeting, 7 p.m. public hearing on the advertised real estate tax rate, and 7:30 p.m. or later, public hearing on the advertised budget. In addition, citizens may provide comments directly to members of the Board of Supervisors. Contact information may be found at:

montgomerycountyva.gov.

More information:

For more information, see complete budget proposal details in the County’s “Proposed Budget Fiscal Year 2011.” The document is available at montgomerycountyva.gov, the County Government Center, Blacksburg and Christiansburg municipal buildings, Montgomery Floyd Regional Library branches, the Blacksburg Community Center and the Christiansburg Recreation Center.

All regular meetings of the Board of Supervisors are videotaped live and rebroadcast on Montgomery County Comcast Channel 190 on weekdays at 8 a.m., 1 p.m. and 7 p.m. (no meetings shown on Tuesday morning). On weekends, Board meetings may be viewed at 8 a.m., noon and 3 p.m.

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Montgomery County, Virginia
ADVERTISED BUDGET HIGHLIGHTS
FISCAL YEAR 2011

Montgomery County’s proposed FY2011 budget totals \$154.1 million, representing a \$4.9 million decrease from the FY10 approved budget. The budget proposes a 4 cent real estate tax rate increase from 71 cents to 75 cents per \$100 assessed value and a change in valuation of motor vehicles.

Like schools and local governments statewide, our County government and public schools are facing unprecedented fiscal challenges. Shortfalls in local revenue, dramatic reductions in funding from the Commonwealth and higher costs for unavoidable employee fringe benefits (such as health insurance and unemployment insurance), the regional jail and other areas combined to place the County’s estimated shortfall at nearly \$10 million for FY11. Of this total shortfall, the state funding reduction to public schools alone accounts for almost \$6 million.

Faced with these daunting challenges, the County Administrator’s proposed budget gives priority to three goals:

- Minimizing reductions to public education;
- Restoring critical public safety positions; and
- Minimizing the impact on local taxpayers.

The advertised real estate tax increase of 4 cents generates an additional \$2.7 million. The budget is also based on a change in valuation for motor vehicles from loan value to trade value. These changes would allow:

\$1 million more to the public schools than requested due to state funding cuts;

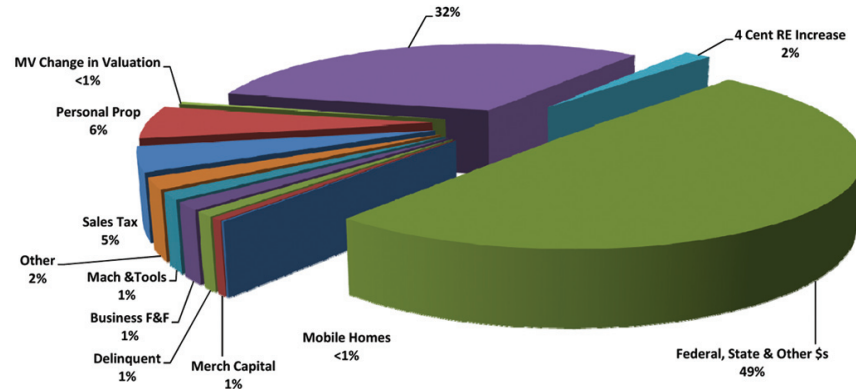
Restoring 24 positions to the Sheriff’s Office and 2 positions to the Commonwealth’s Attorney office eliminated by state funding reductions;

Restoring a total of 8 positions to the offices of the Treasurer and Commissioner of Revenue eliminated by state funding reductions; and

Retirement incentives that may help to avoid additional layoffs.

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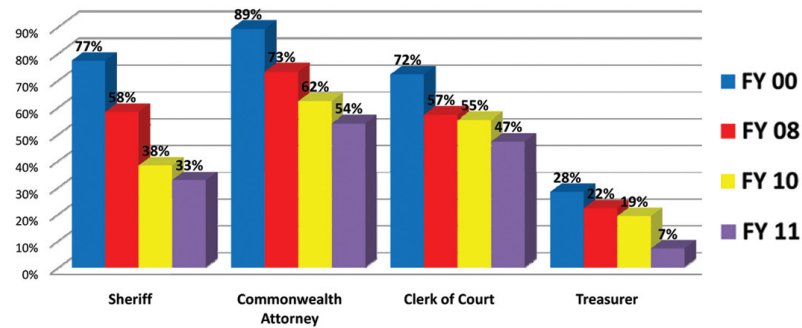
Where will the money come from?



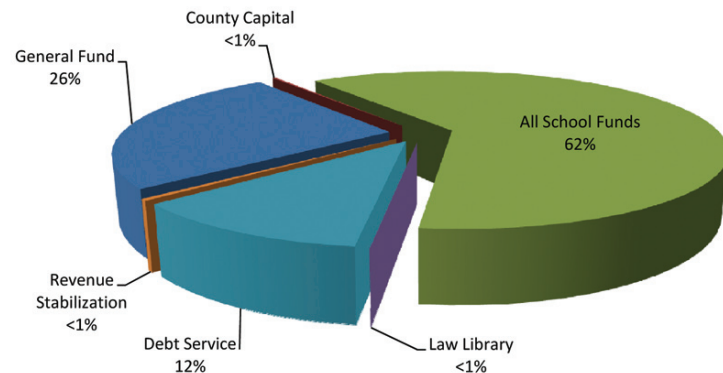
WHERE WILL THE MONEY COME FROM?

Designated dollars received from federal, state and other sources comprise 49 percent of the revenue, which is less than in previous years due to state reductions. Real estate tax revenue comprises 34 percent of the budget and is the largest source of County generated revenue. Personal property taxes account for over 6 percent of revenue. Other local revenue sources include taxes on sales, machinery and tools, merchants capital, etc.

Percent of State Funding for Constitutional Officers 10 Year Comparison



How will the money be spent?



FY11 Advertised Budget Highlights

cont.

Even with the proposed 4 cent real estate tax increase, budget reductions are required:

- Elimination of 10 positions effective Jan. 1, 2011, due to state funding cuts;
- Freezing 13 current positions and any future vacancies;

- No new positions;
- Not restoring part-time and overtime salary monies;
- No merit or cost of living increases; and
- Reduced funds for training and conferences.

How the money will be spent:

EDUCATION

The Montgomery County Public Schools' budget is \$95.7 million, which represents 62 percent of the County's total budget. Of this amount, the County's contribution is \$35.4 million based on an approved real estate tax rate of 75 cents. This amount represents \$1 million more in funding than requested by the public schools to address the drastic cuts in state funding for public education. Even with additional County dollars, the public schools face significant challenges due to these funding reductions from the Commonwealth of Virginia.

DEBT SERVICE

The debt service budget of \$17.8 million in FY11 includes principal, interest and administrative fees on outstanding debt for new construction, renovation, and building improvements for public schools and the County. Due to the County's ability to access interest-free Qualified School Construction Bonds, nearly \$300,000 annually has been saved. Construction projects include the new Eastern Montgomery Elementary School, which is scheduled to open in 2010. The new Price's Fork Elementary School will also break ground this fiscal year. County projects include the construction of the new Courthouse, and renovations of the jail and former Courthouse into the new Public Safety Building. Construction on the new Courthouse is currently under way.

PUBLIC SAFETY

The Sheriff's Office faces the elimination of 27 positions due to the reduction of \$860,000 or 21 percent of its funding by the State Compensation Board. The County's budget proposes to restore 24 positions (3 are currently vacant) to preserve public safety services.

County Taxes

The advertised 4 cent real estate tax increase is the only change in the tax rates listed below. All rates are per \$100 assessed valuation:

Real estate tax rate: 75 cents
 Personal property: \$2.45
 Machinery & Tools: \$1.82

Merchants Capital: \$3.05
 Mobile Homes: 75 cents

What will happen if more cuts are needed?

If further reductions are required to balance the budget within existing revenues, the County will look to reducing funding for public schools, consolidated waste sites, libraries, Social Services and outside agencies. Deeper reductions would require more cuts to these areas, plus further staffing reductions and the possible elimination of incentives for fire and rescue volunteers.