

the KINGSPORT Spirit

**JULY 5
2023**

KINGSPORT APPROVES ANNUAL BUDGET

The Kingsport Board of Mayor and Aldermen approved the Fiscal Year 2024 budget earlier this week - a budget that includes no property tax increase, phase three of the city's pay plan, funding to renovate the DB dome and \$3.8 million for street resurfacing efforts.

The budget is the guiding financial document for the city and is made up of many parts - the general fund (main operating and capital fund for the city), water and sewer systems, the school fund and several smaller funds for things like solid waste, the Aquatic Center and MeadowView.

Highlights from the General Fund operating budget:

- No increase in property tax rate, which remains at \$1.9983 per \$100 of assessed value
- Funding for a School Resource Officer in every school
- Increased funding to assist in litter pickup throughout the city
- Increased funding to assist with Economic Development efforts
- Phase three of the employee pay plan approved
- Funding for continued technology improvements
- A \$3.8 million allocation to street resurfacing

The BMA held a strategic planning session in February along with two budget workshops in May to review and discuss the budget. The budget has to be approved by the BMA on two readings, the second of which took place Tuesday night. The new budget goes into effect July 1 and runs through June 30, 2024.

Budget priorities this year included a continued emphasis on employees, education, economic development, infrastructure improvements and technology.

Kingsport's General Fund stands at \$95 million with a "rainy day" fund anticipated to be at \$23.5 million once the FY-23 books are closed later this year. Kingsport's bond rating remains strong at Aa2.

An increased cost in electricity and fuel, the national economy, and inflation were the major challenges facing city staff when assembling the budget for the next fiscal year.

One major impact to the budget came about as a result of an appraisal ratio study, which is conducted every two years per state law and is designed to create equity between personal and real property. In 2023, the study resulted in a loss of \$3.4 million to the city's general fund.

Kingsport had four options to solve this problem - raise taxes, make cuts to services, a combination of both or restructure the budget to absorb the loss.

"We recommended restructuring our budget because it provided the smallest impact to our operations and long-term plans," said City Manager Chris McCart.

In addition to the operating budget, the BMA signed off on the FY-24 capital budget.

BUDGET Bites

Kingsport's 2024 fiscal year budget is approximately \$240 million.

What's covered in the budget?

- General Fund**
(Operating & Capital Funds)
- Water & Sewer Systems**
- School Fund**
(General Purpose & Nutrition)
- Other Funds**
(Examples: Bays Mountain & MeadowView)



Kingsport's 2024 fiscal year budget is the guiding financial document for the city.

The \$41.4 million capital budget covers the DB dome repair and renovations (\$21 million), Justice Center expansion (\$13.4 million), Kingsport Public Library renovations (\$4.4 million) and various roads and infrastructure projects (\$2.6 million).

The FY-24 budget also includes increases to the water rate (4.5%) and sewer rate (5.75%). The increases are due to a number of issues - flat revenues, federal regulations, inflation and an aging infrastructure. For more information about the FY-24 budget, visit www.kingsporttn.gov and search 'budget.'

INNOVATION VILLAGE Spotlight

The City of Kingsport has a thriving number of organizations that focus on small business, creative people and entrepreneurial efforts. This Innovation Village has been in the works for more than six years and the dividends are paying off in a variety of ways.

Over the next month look to this space for profiles on the organizations that make up Kingsport's Innovation Village.



Create Appalachia is a non-profit organization that offers the community access to state-of-the-art digital media equipment with locations in Kingsport and Johnson City. The Kingsport center - roughly 9,000 square feet - can be found on both floors of the east wing of the old city hall building (255 E. Center Street).

This Center of Digital Innovation provides members access to more than \$500,000 in high-tech equipment, including photography and videography studios, large format printers and a host of software from Adobe, Autodesk, Maxon and Microsoft.

Technology enabled co-working spaces, private offices (14 in total) and a conference room are available for rent to entrepreneurs and small businesses. Some spaces can be rented by the day or the week and others from six months up to yearly agreements.

The downtown center includes a streaming lab with a teleprompter for folks to make YouTube videos or do podcasting, two large format printers for archival quality prints and two computer labs that can be booked for classes.

Create Appalachia collaborates with the Inventor Center, KOSBE, the Holston Business Development Center and Sync Space and partners with the DB Excel digital arts program. Partnerships in the works include ones with the Kingsport YMCA, Northeast State Community College, ETSU Research Corporation and the Birthplace of Country Music.

"Our goal is a robust, energetic community of creatives working together to increase both quality of life and economic opportunities in the region," said Executive Director Katie Hoffman. "One of the things that I most love about our work at Create Appalachia is that it's all about identifying real needs and meeting them. And we can achieve so much more by working together."



Kingsport Public Library Presents:

FRIDAY LUNCHTIME LIVE

July 7th | Noon-1:00 p.m.

These Are the Angles

Food from:

The Spud Wagon

