

April 24, 2007

County of Greene, Virginia

THE CONTINUED MEETING OF THE GREENE COUNTY BOARD OF SUPERVISORS WAS HELD ON TUESDAY, APRIL 24, 2007 AT 7:30 P.M. AT THE WILLIAM MONROE HIGH SCHOOL AUDITORIUM.

Present were: Steve Catalano, Chairman
 Clarence Peyton, Vice Chairman
 Jeri Allen, Member
 Mickey Cox, Member
 Patsy Morris, Member
 Ray Clarke, County Attorney
 Barry Clark, County Administrator
 Patti Vogt, Deputy Clerk
 Tracy Morris, Finance Director

The Chairman opened the meeting with a moment of silence in honor of the victims of the Virginia Tech tragedy.

RE: PUBLIC HEARING – PROPOSED FY 2007-2008 COUNTY BUDGET AND TAX LEVIES

The Chairman opened the floor for public comment. The Board heard comments from the following individuals regarding the proposed allocation for the schools, Jefferson Area Board for Aging, Parks and Recreation, the Sheriff's Department, and the proposed tax levies for FY 2007-2008: Katie Brunelle, Judy Berger, Deborah Brown, Terry Lilly, Kim Powell, Ronda Puryear, Eric Seidel, Linda Seidel, Mary Shifflett, Peggy Menzies, Lee Estes, Scott Wills, Jim Frydl, Jerry Gore, Bob Glass, Janet Arsenault, Gail Daniel, Chris Knights, Tom Evans, Nicole Strickland, Ray Dingleline, Cindy Knight, Steve Smith, Kathleen Sturges, Arthur Moran, Sonny Clay, Andrea Wilkinson, Craig Sorachin, Debbie Dupell, Michelle Frazier, Ashley Hefner,

Pauline Hovey, Deb Laliberte, Jim Ware, Chris Curtis, Carl Schmitt, Jesse Sheckler, Mark Root, Mary Cave and Neil Williamson.

The Chairman closed the public hearing.

RE: RECESS

The Chairman called a short recess.

RE: DISCUSSION BY BOARD

The Chairman explained that action on the adoption of the budget will not be taken tonight. However, the Board will be voting on the tax levies.

Mr. Catalano explained that the reserve is actually a fund balance and is not a “slush fund” that can be spent on anything the Board desires. The proposed figure includes \$1.4 million of existing reserve fund monies and is not sufficient to pay bills. The Board is trying to create sufficient cash flow to eliminate short term borrowing.

The County was actually \$4 to \$5 million in the hole when the Board began trying to build a reserve fund. This is not an accelerated process and will take time.

The Chairman also noted the decrease in State revenue of approximately \$1.3 million. The Comprehensive Services Act program is allocated \$485,940 in local money. There is also an anticipated shortfall in State revenue to the schools of \$780,000. The State should be paying for mandated programs. The County must place the burden of the decrease in State revenues and unfunded mandates on taxpayers in the form of property taxes. The County simply cannot make up the deficits.

Board member Jeri Allen said she was happy with the budget in general but expressed disappointment with the proposed allocations for Jefferson Area Board for Aging. She supported

the allocation of an additional \$15,000 to fund a half-time caseworker and the Meals on Wheels Program.

Mrs. Allen said the bigger issue is funding for the schools which is 60+ percent of the total operating budget. The schools asked for a 5% increase. The remaining budget, not including schools, increased by 9%. The Board is proposing a 3% increase in funding for the schools.

Mrs. Allen was concerned that the proposed pay increase for teachers will result in the County losing valuable, experienced teachers and continue the County's historic role as a training ground for teachers. In regards to the replacement of buses, Mrs. Allen felt the County will eventually have to pay for this as the issue will not just go away.

Mrs. Allen felt the request from the Schools was fair and asked the Board to consider funding a minimum 4% salary increase.

Board member Mickey Cox said the proposed budget is as fair as the Board could make it. He spoke on the County's history of borrowing funds to operate and noted the County paid \$15,000 in interest last year. He felt there is waste in the County that could be eliminated. Mr. Cox said he would support a real estate tax levy of \$.72.

Vice Chairman Clarence Peyton said he could understand the frustration caused by the shortfall in State funding for the school system. He said he was disappointed that the School Board would ask the Board of Supervisors to fully fund the State shortfall in addition to the local revenue which would be in excess of \$1 million. Mr. Peyton said, in good faith and in genuine concern for the tax burdened residential homeowner, especially those retirees on fixed incomes, he would not support fully funding that request. He felt it is incumbent upon the Board of

Supervisors to fully fund the mandatory increase of \$175,000 in VRS, \$220,000 in increased insurance costs, and to support a significant increase in teacher salaries. He felt the proposed increase is more than adequate. He asked the School Board to take a look at shifting funds to provide increases in teacher salaries to retain personnel.

Mr. Peyton said, even though the promise of tax relief from projected new commercial businesses is evident, he is not prepared to take a leap of faith at this time and over commit current known revenues. He felt the budget for next fiscal year as proposed is final and complete with the exception of some potential increase for teacher wages and further review of the request from JABA.

Board member Patsy Morris believed the schools should be funded but not at the price the County is expected to pay because of the State. She noted concerns about senior citizens in the County who live solely on Social Security. Mrs. Morris said she spoke with members of the School Board to try to figure out ways to cut the school budget so the burden would not have to be placed on taxpayers.

Mrs. Morris also said she wanted to increase the tax relief for seniors but it was too late this year. She felt the financial guidelines for tax relief should be increased.

Mrs. Morris felt all members of the Board of Supervisors supports education which is evident by the lengthy discussions on the school budget. This Board has tried to increase the commercial tax base and has proposed the best possible budget for the County. She suggested the Board revisit the JABA Meals on Wheels allocation and state, specifically, that any additional funding should be used for this program.

The Chairman agreed that the Tax Relief Program for the Elderly and Handicapped should be reviewed again to make the program more effective. He felt the committee who worked on this project did an excellent job. The Board needs to see the program in practice. Mrs. Allen noted this was the first year of a three year plan.

The Chairman said economic development is an alternative revenue source that will take the pressure off the real estate tax levy.

Mr. Catalano gave the definition of counter productive taxation as when taxes elevate to an extent that expendable income is further jeopardized and withheld from the local economy. The County cannot make up the amount of shortfall in revenue from the State and cannot over tax citizens.

Mr. Catalano noted the Parks and Recreation Department will receive \$21,000 in additional funds. He felt the program was created prematurely without a revenue stream.

Mr. Catalano said he felt the Board did all it could do for the schools.

It was the consensus of the Board to increase the proposed appropriation for the schools to \$568,355 in order to fund a 3% salary increase.

There was further discussion on the allocation to JABA. The Chairman noted that JABA has alternative funding sources and said he would rather give any additional funds to the school system. It was noted the Board can discuss this again prior to the adoption of the budget.

The Chairman read the advertised tax levies as follows:

Levies on \$100 assessed valuation:

Real Estate	\$0.74
Public Service Corp	\$0.74
Personal Property	\$5.00
Except Farm Machinery & Livestock	\$0.00
Industrial Machinery & Tools	\$2.00

Vice Chairman Clarence Peyton felt the real property assessments over the last two years have driven tax rates out of control. He supported a real estate tax levy of \$.72 per \$100 of assessed value. He believed this will reduce the tax levy to a more affordable level for taxpayers and meet the financial needs of all departments in the allocations made for the upcoming fiscal year. This rate will create a reserve cash flow, set aside emergency funds for local disasters, execute a balanced budget and improve the opportunity for short and long term financial planning.

Board member Jeri Allen noted the County has made a huge investment in infrastructure to support a strategy to broaden the tax base in the County. The Board understands that real estate taxes cannot and should not carry the full burden of the cost of running the County. The strategy is starting to work with the UVA Credit Union and Best Western Hotel opening. She urged the Board to proceed with caution and err on the side of conservatism. A levy below \$.74 will put the County in the position of operating too close to the edge. She suggested giving it another year before cutting the levy below that level. Mrs. Allen said she would prefer a \$.76 levy but would agree to stay at the advertised rate of \$.74.

Board member Pasty Morris said she would prefer a \$.69 levy but would agree to \$.71.

The Chairman said he could support \$.72 levy provided there is a written five year plan to continue to increase the reserve.

Upon motion by Clarence Peyton and affirmative vote, the Board set the following tax levies for FY 2007-2008:

Levies on \$100 assessed valuation:

Real Estate	\$0.72
Public Service Corp	\$0.72
Personal Property	\$5.00
Except Farm Machinery & Livestock	\$0.00
Industrial Machinery & Tools	\$2.00

Recorded vote:	Steve Catalano	-	Yes
	Clarence Peyton	-	Yes
	Jeri Allen	-	No
	Mickey Cox	-	Yes
	Patsy Morris	-	No

Motion carried.

RE: CONSENT AGENDA

Upon motion by Mickey Cox and unanimous vote, the Board approved the minutes of the April 10, 2007 meeting as circulated.

Recorded vote:	Steve Catalano	-	Yes
	Clarence Peyton	-	Yes
	Jeri Allen	-	Yes
	Mickey Cox	-	Yes
	Patsy Morris	-	Yes

Motion carried.

RE: OTHER MATTERS FROM THE BOARD

RECREATIONAL ACCESS ROAD FUNDS

The Chairman said the County has received notification that the funds for the Park Road have been approved.

RE: ADJOURN MEETING

As there was no further business, the meeting was adjourned.

A handwritten signature in black ink, appearing to read 'S. Catalano', written over a horizontal line.

Steve Catalano, Chairman
Greene County Board of Supervisors