

Budget Hearing, Wednesday, April 18, 2018, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Gerald W. Garber, Chairman
Carolyn S. Bragg-Vice Chairman
Terry L. Kelley, Jr.
Michael L. Shull
Wendell L. Coleman
Marshall W. Pattie
Pam L. Carter
Timothy K. Fitzgerald, County Administrator
Jennifer M. Whetzel, Deputy County Administrator
John Wilkinson, Director of Community Development
Misty Cook, Director of Finance
James R. Benkahla, County Attorney
Angie Michael, Executive Assistant

VIRGINIA: At a budget hearing meeting of the Augusta County Board of Supervisors held on Wednesday, April 18, 2018, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 242th year of the Commonwealth....

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Chairman Garber opened the meeting and welcomed those present for the public hearings.

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The Board of Supervisors led us with the Pledge of Allegiance.

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Wendell Coleman, Supervisor for the Wayne District, delivered invocation.

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PUBLIC HEARINGS – Director of Finance Presentation

Misty Cook, Director of Finance, announced that there would be two public hearings. They can be held as one public hearing once opened. One hearing is on the proposed tax rate and the second hearing is on the revised budget for 2017-2018 and the proposed budget for 2018-2019. Ms. Cook gave a PowerPoint presentation with the following highlights:

The Code of Virginia (§ 15.2503) does the following:

- Sets the fiscal year for localities (July 1 through June 30)
- Sets deadline for presentation of budget to Board of Supervisors by April 1 (Work session March 19th)
- Sets public hearing notice requirements (seven days before the public hearing)
- Sets minimum period before budget approval (public hearing has to be at least seven days before budget approval). It can be approved at the next Board meeting on April 25th, or if the Board desires a Special Meeting on May 2, 2018.
- Sets deadline for State agencies to provide information to localities after General Assembly session (within 15 days)
- The County is required to approve a budget by July 1

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PUBLIC HEARINGS – Director of Finance Presentation (cont'd)

Budget process is a cooperative effort:

- Departments of the County
- Community Agencies
- School Board
- Shenandoah Valley Social Services
- Regional Agencies

The budget is a cooperative effort that is affected by many components. Departments/Schools/Regional entities draft a budget, Finance and Co. Admin compile a balanced budget within current revenue streams, the Board of Supervisors reviews and decides what to advertise. At the public hearing, the public input is shared with the Board of Supervisors and taken into consideration before approving the budget and setting a tax rate. The budget is tentatively set to be approved Wednesday, April 25 or May 2.

Budget Advertisement Summary:

Recommended budget	\$184,359,574
Work session revisions:	
Expenditures	
General Fund:	
County Attorney Contract Services	\$25,000
IT software	\$15,720
5 Deputies	\$288,885
Sheriff Smartphone upgrades	\$12,550
Sheriff wireless cards for computers	\$8,000
F&R Captain upgrades	\$(28,517)
Churchville Library-add'l hours	\$13,975
Stuarts Draft-add'l hours	\$4,885
Merit & COLA increase 2%	\$194,000
Restore County Capital Funding	\$2,587,230
	\$3,121,728
School Fund:	
Salary Supplement increase 0.5%	\$353,272
	\$3,475,000
Revenues	
Real Estate Tax increase 5 cents	\$3,475,000
Total Advertised budget	\$187,834,574

The advertised proposed tax rates for 2018 are:

Rate per \$100/assessed value as advertised:

	<u>2017</u>	<u>2018</u>
Real Estate	\$0.58	\$0.63
Personal Property:		
Vehicles	\$2.50	\$2.50
Other ⁽¹⁾	\$2.00	\$2.00
Other ⁽²⁾	\$2.50	\$2.50

(1) Business, large trucks and trailers, machinery & tools

(2) Campers, boats, boat trailers, horse trailers, airplanes and trailers.

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PUBLIC HEARINGS – Director of Finance Presentation (cont'd)

Total revenue in the FY18 Budget: \$184,639,618

Property Taxes	\$ 62,063,000
Local Revenue	\$ 37,856,966
State Revenue	\$ 73,451,180
Federal Rev.	\$ 10,422,286
Other ⁽¹⁾	\$ 846,186

⁽¹⁾non-revenue receipts

Expenditures for the FY18 Budget: \$187,834,574

General Govt	\$ 4,755,505
Judicial	\$ 2,270,501
Public Safety	\$ 22,506,431
Public Works	\$ 4,377,827
Health & Welfare	\$ 19,003,236
Recreation	\$ 2,596,044
Community Dev.	\$ 1,846,362
Contributions	\$ 1,552,018
Education	\$114,207,585
School Capital Improv.	\$ 0
Debt Service	\$ 9,448,654
Capital Improvements	\$ 5,270,411

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PROPOSED TAX RATES

This being the day and time to receive public input on the real and personal tax rate for 2018.

	<u>Current:</u>	<u>Proposed:</u>
Real Estate	\$0.58	\$0.63
Personal Property – auto & motorcycle campers, boats, boat trailers, horse trailers, airplanes, trailers	\$2.50	\$2.50
Personal Property – business, large trucks and trailers, machinery & tools	\$2.00	\$2.00

The Chairman declared the public hearing on tax rates to be open.

Mark Poe is concerned with the 0.05 cent tax increase. The increase will be a burden for the citizens on a fixed income.

Danielle Wenger of Rolla Mills Subdivision is concerned with the tax rate increase. She will need to work more if the taxes are increased.

Michael Anne Courtney of Weyers Cave is concerned with the condition of Fort Defiance High School and feels the County is falling behind due to low tax rates. She supports the tax increase.

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PROPOSED TAX RATES (PUBLIC HEARING CONT'D)

Joey Reece of 264 River View Drive, Verona is concerned with the tax increase. In 25 years there has been a 12% increase on taxes. Retirement and Social Security does not increase to accommodate. Mr. Reece suggests to wait on the tax increase until the reassessment is complete.

Mark Daughtery of 56 Fairfield Court is opposed to the tax increase. A typical family in Augusta County will struggle with a tax increase. Mr. Daughtery gave suggestions on ways to increase revenue in the County and various ways the County can save money.

Russel Peters of 138 River View Drive, Verona stated that he agrees with giving money to the schools and the Sheriff Department. He is concerned with a tax increase before the reassessment is complete. The County needs to look at the personal property tax to offset the real estate tax.

Marc Shields of 239 River Bend Road, Fort Defiance is in favor of the tax increase. This needs to be considered an investment. The Sheriff's Department does not get enough compensation and the schools have a great staff and are taking care of our children. Investing in the schools is one thing that will help draw people to the community.

Barnard Edwards of 55 Viburnum Drive is concerned about the budget. How long has the increase been discussed and was the Budget Hearing advertised? He supports the local Sheriff Department and agrees with the increase for that department. The public needs to be more informed. Augusta County is becoming a retirement County for senior citizens. People living in nursing homes do not pay taxes. There are a number of questions to be answered before making a decision.

Duey Whisnant of 145 Riverview Drive, Verona is concerned about the tax increase. Five cents doesn't sound like much, but to people on a fixed income it's a lot. He understands taxes need to eventually go up. Mr. Whisnant hopes if the increase is approved that the Sheriff Department and the schools are taken care of.

Dr. John Ocheltree of 33 Jordan Place, Churchville, School Board member, supports the increase. The allocation increase for the schools is a concern. The same budget goals have been followed for the School Board over several years. Busses are an issue and electronics need to be funded. While progress has been made, goals have not been fully reached. The School Board would like to give employees a salary increase and at least another penny of the tax increase would be needed to do so. The School Board has heard goals of strong economic growth in the County. Most teachers and staff live locally. The investment in students is noble and worthwhile. In order to prepare our students we cannot stagnate financially. Mr. Ocheltree requests a re-evaluation of the tax increase.

Linda Ludholtz of Mount Crawford stated that everyone wants betterment of the schools. The law needs to be changed on how to get real estate tax dollars from people that are not paying them. Nothing is being said about the approximately \$5 million that has not been paid in real estate tax.

The Chairman declared the public hearing closed.

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REVISED BUDGET FOR FY17-18 AND PROPOSED BUDGET FOR FY18-19

The Chairman declared the public hearing on the Revised Budget and the Proposed Budget to be open.

Donald Smith, Augusta County Sheriff, stated that the budget is always a hard subject to discuss. In his budget requests, he has asked for 5 additional deputies. His deputies all work hard and are pushed to the limit. All desk jobs have been eliminated so that each deputy could be on the road and out in the community. Drugs are becoming a huge issue in the County. Sheriff Smith has asked for a pay raise for the deputies. Each one of them are dedicated to what they do and deserve more. He has also requested smart phones for each deputy and computers for the cars. Times are different now than what they used to be. Technology plays an important part in everyday activity. In his requests, he has tried to be fair to the community and the Board of Supervisors as much as possible. Sheriff Smith thanked the Board and the community for their support.

Russell Peters is appreciative of the Sheriff's Department and still questions the additional \$2 million in capital.

Mr. Garber stated that the County has been stealing from the capital account and pretending we are getting by with the current tax rate. The additional \$2 million is replenishing the savings.

Butch Wells fully respects everything said. He is concerned with what has been taken from the capital account. Mr. Wells is willing to pay the tax increase for the County.

Larry Roller stated that the County has been stealing from the School Board.

The Chairman declared the public hearing closed.

Mr. Fitzgerald explained to the Board that the Budget Adoption will be on the agenda for the Regular Meeting on Wednesday, April 25, 2018.

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END OF PUBLIC HEARINGS
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