

Budget Hearing, Wednesday, April 29, 2009, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Larry C. Howdyshell, Chairman  
Gerald W. Garber, Vice-Chairman  
David R. Beyeler  
Tracy C. Pyles, Jr.  
Wendell L. Coleman  
Jeremy L. Shifflett  
Nancy Taylor Sorrells  
Patrick J. Morgan, County Attorney  
Jennifer M. Whetzel, Director of Finance  
John C. McGehee, Assistant County Administrator  
Patrick J. Coffield, County Administrator  
Rita R. Austin, CMC, Executive Secretary

VIRGINIA: At a Budget Hearing meeting of the Augusta County Board of Supervisors held on Wednesday, April 29, 2009, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 233<sup>rd</sup> year of the Commonwealth....

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Trevor Brown, of The News Leader, led us with the Pledge of Allegiance.

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

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The Chairman welcomed those present for the public hearings.

Chairman Howdyshell announced that there would be two public hearings. One on the proposed tax rate and the second on the proposed budget for 2009-2010.

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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 2009.

PROPOSED BUDGET FOR 2009-2010

This being the day and time to receive public input on the revised budget for Fiscal Year 2008-2009 and the proposed budget for Fiscal Year 2009-2010.

Jennifer M. Whetzel, Director of Finance, made the following statement:

Mr. Chairman, we have two separate public hearings tonight, one on the tax rate and one on the FY10 budget.

Tax rates are set by the calendar year; therefore, crossing the fiscal years upon which the County budget is prepared.

In FY09, the County finalized a reassessment of real property values effective January 1, 2009. The advertised budget for FY10 reflects an equalized real estate tax rate of 48¢. This tax rate cannot be increased at this time without 30 days advertisement of notice.

April 29, 2009, at 7:00 p.m.

PROPOSED TAX RATES (cont'd)  
PROPOSED BUDGET FOR 2009-2010 (cont'd)

The real estate tax rate has been 58¢ since the mid-1980s.

The revised FY09 budget and proposed FY10 budget reflects the current personal property tax rate of \$2.25 for vehicles and motorcycles and \$1.90 for machinery and tools and other personal property.

The advertised budget for FY10 totals \$157,081,350 in revenue and \$158,946,914 in expenditures. If you review your budget hearing handout, you will see that the FY10 budget has decreased significantly from the prior year. Revenue decreases are primarily due to the depreciation of property tax values, state funding reductions and lower interest rates. The County has reduced expenditures to meet revenue projections through layoffs, frozen positions, and reduced programs. Revenues received are approximately 50%-50% split between the general funds and school funds, while expenditures are split 30% to the general funds and 70% to the school funds. Finally, the FY10 school fund budget does not incorporate economic stimulus funds derived from the American Recovery and Reinvestment Act of 2009. Use of these funds will be determined after guidelines are established by the Federal government. These funds affect school funds only.

The Chairman declared the public hearings on tax rates and the proposed budget to be open.

Lawrence Campbell, of Howardsville Turnpike, expressed his disappointment in drainage problems not being resolved in Courtney Woods. He also resented the increase in his assessment.

Neige Diehl requested an explanation of the process of the Board of Equalization. He added that his assessment increased and did not understand how that could be when it has been vandalized many times. Chairman Howdysshell stated that the Judge has appointed the Board of Equalization and that Mr. Diehl would be notified of an appointment.

There being no other speakers, the Chairman declared the public hearing closed.

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Chairman Howdysshell stated that the Board would adopt the budget next Wednesday, May 6<sup>th</sup>, at 7:00 p.m.

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**END OF PUBLIC HEARINGS**

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AUGUSTA COUNTY SCHOOL BOARD – HEALTH INSURANCE

The Board considered recommendations from committee funding strategy.

Patrick J. Coffield, County Administrator, that the Board Chairman and Vice-Chairman met with their counterparts and have provided the following recommendations:

**SCHOOL BOARD  
EMPLOYEE HEALTH INSURANCE**

- **Fy09-10 cost per employee**
  - \$5,057 for twelve-month employee
  - 11% increase
  - 8.4% increase over annual premium for calendar year 2009
- **Original Proposal**
  - Budget increase \$529,325
  - \$43.56 deduction per employee per month

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AUGUSTA COUNTY SCHOOL BOARD – HEALTH INSURANCE (cont'd)

• **Funding Strategy**

- A) Between August and December, County and School staffs to work with Health Insurance Consortium members (Waynesboro and Staunton) to determine if benefit modifications will impact local rates.
- B) After School Board contracts are returned, staff to revisit budgeted employee vacancies to compare with actual numbers for attrition and retirements.
- C) Recalculate funding shortfall and cover by:
  - 1. Earmarking FY08-09 fund balances of School Board and County (50-50)
  - 2. If FY08-09 fund balances not sufficient, to withdraw funding differential from School Account #80000-8134 and County Account #92040-998 (50-50).

Mr. Coffield noted that the School Board may consider requiring employees to pay a portion of the employee coverage (1%) but were leaning towards covering the employee share 100%. He noted if the School Board did decide to require employees to pay 1%, the County would probably change from a flat \$5 a month to 1% to make uniform.

Ms. Sorrells asked what the projected increase for an employee's family would be. John C. McGehee, Assistant County Administrator, explained that if a rate increase happens, it would be determined equally on different coverages. For example, Subscriber/Employee only; Subscriber and Spouse; Subscriber and one dependent and family. Generally, if it is 7% or 8%, it is across the board. Ms. Sorrells was unsure if the County was able to have an agreement to cover all of the potential increase. Mr. Coffield explained that this request pertains to employees only. If a family or dependents are to be covered, the employee is responsible for that increase.

Mr. Coleman clarified that the only thing that is the issue under consideration is that there would be no out-of-the-pocket increase for school employees. This does not consider family or dependent coverage.

Mr. McGehee further explained that the employee rate is subtracted from the family or dependent rate. From the standpoint of the school system, that is what the employee pays.

At the last meeting, Mr. Pyles had presented questions to the School Board Chairman. Those responses were distributed to the Board.

Mr. Beyeler reiterated that the committee is recommending that there be no out-of-pocket expense to school employees.

Chairman Howdysshell explained that this is a feature that attracts new teachers to the area. He said that the School Board would come back before the Board when they are able to provide better figures.

Mr. Beyeler moved, seconded by Mr. Garber, that the Board approve the funding strategy outlined under the recommendations from committee.

Vote was as follows: Yeas: Howdysshell, Sorrells, Garber, Beyeler, Shifflett, Pyles and Coleman

Nays: None

Motion carried.

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April 29, 2009, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD

SWINE FLU OUTBREAK

Mr. Coffield distributed to the Board a briefing report from the Virginia Department of Health. Mr. McGehee reported that he participated in a conference call with the hospital administration regarding preplanning. There will be a meeting either Thursday or Friday to continue preplanning with respect to handling a possible outbreak. This preplan will be a regional effort and similar to the pandemic flu preplan. Chairman Howdysshell added that this has been one of Emergency Services main issues.

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MCKEE REFUND

Mr. Coffield reported that Richard Homes, Treasurer, had presented a request this afternoon to refund McKee for interest paid on past Machinery and Tool taxes. With regard to Tangible Personal Property/Machinery and Tools, the local industries present to the Commissioner of Revenue each year a list of their equipment that is used in the production process. McKee requested a clarification of equipment totaling \$221,000. The State Commissioner in Richmond has ruled that \$80,404.01 should be reduced. The State Code requires that a reimbursement include interest. Interest is \$13,909.31 and has to be approved by the Board. Information was distributed to the Board.

Mr. Beyeler felt that if a company pays money that is later deemed that it does not owe, than they are due a refund. He felt it to be the same principle as if they owed more money, that they would have to pay interest. He added that one of the problems is that if equipment is changed and not being used for a period of time, then it is not supposed to be taxed.

Mr. Beyeler moved, seconded by Ms. Sorrells, that the Board approve the reimbursement of interest in the amount of \$13,909.31. Funding Source: CIP Account #80000-8145.

Vote was as follows: Yeas: Howdysshell, Sorrells, Garber, Beyeler, Shifflett, Pyles and Coleman  
Nays: None

Motion carried.

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MARKET ANIMAL SHOW

Ms. Sorrells announced that the Market Animal Show is May 6 and 7 at the Staunton Stockyards. "It's a great chance to get out and see our youth who are learning about raising livestock and good business practices."

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ADJOURNMENT

There being no other business to come before the Board, Mr. Garber moved, seconded by Ms. Sorrells, that the Board adjourn subject to call of the Chairman.

Vote was as follows: Yeas: Howdysshell, Sorrells, Garber, Beyeler, Shifflett, Pyles and Coleman  
Nays: None

Motion carried.

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Chairman

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County Administrator