

Budget Hearing, Wednesday, April 21, 2010, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Gerald W. Garber, Chairman
Jeremy L. Shifflett, Vice-Chairman
David R. Beyeler
Wendell L. Coleman
Larry C. Howdyshell
Tracy C. Pyles, Jr.
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 21, 2010, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 234th year of the Commonwealth....

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Ben Wagoner, home-schooled, led us with the Pledge of Allegiance. Ben's interests are agriculture, government and history. His hobbies are restoring an old tractor and learning about history.

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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 Garber announced that there would be two public hearings combined. One on the proposed tax rate and the second on the proposed budget for 2010-2011.

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PUBLIC HEARINGS – Director of Finance Statement

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

As advertised, there are two separate public hearings tonight; one on the tax rates and one of the Fiscal Year 2011 budget. The budget is a process whereby multiple entities have input. The Departments, the School Board, and the regional agencies all work up their budget and then submit it to the School Board Finance, Augusta County Finance and the County Administrator to compile it and present it to the Board of Supervisors. The reason we're here tonight is for the public to give input regarding the budget that has been proposed.

The proposed tax rates for 2010 are:

Real Estate	\$0.48
Personal Property:	
Vehicles:	\$2.25
Other	\$1.90

The budget that has been advertised includes these rates and are the same rates that were proposed in 2009. They have not changed since the last tax Year.

April 21, 2010, at 7:00 p.m.

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

Total revenue:	\$152 million
Personal Property and Real Estate Taxes:	\$42 million
Local Revenue:	\$34 million
	\$76 million
State Revenues:	\$64 - \$65 million
Federal Revenues:	\$10 - \$11 million

When I talk about the total budget of \$152 million, that includes the School Board, Shenandoah Valley Social Services and then all the general government activities.

Expenditures:	\$153 million
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Handouts were provided to the public which listed the same expenditures that were in the ad. Of the total, around 65% is Education funds; 5% is Debt (which is mostly for the schools); Health and Welfare 10%; Public Safety 9%.

Areas of revenue reductions included:

Sales Tax (both for Schools and County), Business License declines, Recordation Taxes, Permits on Building, Electrical, etc.; Funding from the Comp Board (with a significant decrease for the County); School Board decreases (significant in their State and Federal school revenues). The overall decrease from the FY10 revised budget to the FY11 budget is 6%. It went from \$161 million to \$152 million.

The offsetting expenditure reductions are around 7%. Total expenditures went from \$164 million to \$153 million in the two-year period.

- Reductions:
- 8 frozen non-school positions (the School Board may speak more on their funding reductions)
 - Reduced capital funding
 - Continued tightening of the departmental budget: office/travel, anticipate share of services, etc.

There will be two public hearings; one on the tax rate and then one on the FY10 revised and FY11 budget.

Chairman Garber advised, that if there were no objection, both hearings would be held simultaneously and those who have signed up to speak may speak on both items.

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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 2010.

PROPOSED BUDGET FOR 2010-2011

This being the day and time to receive public input on the revised budget for Fiscal Year 2009-2010 and the proposed budget for Fiscal Year 2010-2011.

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

April 21, 2010, at 7:00 p.m.

AUGUSTA COUNTY SCHOOL BOARD – HEALTH INSURANCE

Dr. John L. Ocheltree, Jr., submitted a report summarizing the Augusta County School Board 2010-2011 Operational Budget, highlighting the following:

Budget Goal: To prepare a budget that will respond to the current economic downturn and the corresponding reduction of funding from both the state and local governments. Efforts will be made to both protect programming for children and to minimize reductions in the number of employees and their benefits.

Budget Total: The School Board's balanced operational budget reflects revenues and expenditures of \$90 million, a decrease from the approved 2009-2010 budget of \$10,436,286, or 10.4%

Revenues:

- o State revenues decreased \$11,379,598
- o Federal revenues increased \$20,676
- o Local revenues increased \$454,268
- o County appropriation decreased \$240,447

Expenditures:

- o 77 retirees; reduction of 44 positions – 38 full-time equivalents, 6 vacant positions
- o \$2.5 million reduction in non-stimulus funded positions due to attrition
- o \$3.1 million reduction due to loss of American Recovery and Reinvestment Act State Fiscal Stabilization Fund (\$949,311 in personnel [16 FTEs], \$2.1 million in capital projects)
- o \$1 million reduction in instructional budgets
- o A reduction in support for regional programs of \$687,425
- o A decrease in Transportation expenditures of \$4,117
- o A decrease in Maintenance/Building Services of \$349,859
- o A decrease in contributions to VRS & Group Life Insurance of \$3.1 due to lower rates
- o Budget reflects no universal salary increase, supplement increases, or advanced degree increases.
- o Employees' health insurance expenditures are budgeted with an anticipated rate increase of 19.5% with employees paying 10% of the annual premium effective December 2010. The actual rate increase will not be determined until late summer or early fall 2010 once bids are received for the next coverage period. The 2010-2011 budget reflects an increased cost to the School Board in health insurance premiums of \$386,823. The potential cost of health insurance premiums passed onto the employees would be \$615,832.

Dr. Ocheltree appreciated the Board's past assistance in subsidizing health insurance for their employees.

Chairman Garber expressed appreciation in what the School Board does and knows that they want what is best for the kids.

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Laura Jones, of the Augusta County Education Association, expressed appreciation to the Board for its support and "agreeing to transfer \$650,000 back to the School Board. The School Board established, as their goal, the desire to save the programs and jobs and to minimize the impact that this current budget crisis would have on students and faculty alike and we want to express our deepest gratitude that you have helped the School Board achieve that goal."

Anna Leavitt, of Community Action Partnership of Staunton, Augusta, and Waynesboro (CAP-SAW), extended their gratitude for the Board's consideration of their funding request. "The funds provided will serve as part of our required match with the Community Services grant application, which, in turn, will allow CAP-SAW to draw down close to \$200,000 in federal and state funds. CAP-SAW will use those funds to create opportunities for residents to move from economic and social dependency to self-sufficiency."

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

April 21, 2010, at 7:00 p.m.

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PROPOSED TAX RATES & PROPOSED BUDGET FOR 2010-2011 (cont'd)

Chairman Garber stated that the Board would adopt the budget next Wednesday, April 28th, at 7:00 p.m.

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END OF PUBLIC HEARINGS

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MATTERS TO BE PRESENTED BY THE BOARD

AUGUSTA COUNTY SERVICE AUTHORITY – COLES RUN DAM

Mr. Howdyshell reported that the Service Authority met last week discussing the Coles Run Dam and the Augusta County Water Supply Improvements appropriations request. This request is to rehabilitate the Coles Run Dam as required by recent Virginia Dam Safety regulations and to make critical water supply improvements at this 60-year-old dam (over a \$6 million project). This approval would provide a safe and consistent water supply to the residents and businesses of Augusta County while protecting large tracts of the George Washington National Forest.

Mr. Howdyshell moved, seconded by Mr. Shifflett, that the Board authorize endorsement of a letter of support to Senator Webb and Senator Warner for water supply improvements appropriations.

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

Nays: None

Motion carried.

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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: Howdyshell, Sorrells, Garber, Beyeler, Shifflett, Pyles and Coleman

Nays: None

Motion carried.

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Chairman

County Administrator