

Special Meeting, Wednesday, May 2, 2012, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Tracy C. Pyles, Jr., Chairman  
Jeffrey A. Moore, Vice-Chairman  
David R. Beyeler  
David A. Karaffa  
Marshall W. Pattie  
Michael L. Shull  
Larry J. Wills  
Timmy Fitzgerald, Director of Community Development  
Jennifer M. Whetzel, Director of Finance  
Patrick J. Morgan, County Attorney  
John C. McGehee, Assistant County Administrator  
Patrick J. Coffield, County Administrator  
Rita R. Austin, CMC, Executive Secretary

VIRGINIA: At a special meeting of the Augusta County Board of Supervisors held on Wednesday, May 2, 2012, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 236<sup>th</sup> year of the Commonwealth....

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Chairman Pyles welcomed the citizens in the audience and asked that a form be completed by anyone who plans to speak.

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Dr. Chuck Bishop, Augusta County Schools Superintendent, led the Pledge of Allegiance.

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David A. Karaffa, Supervisor for the Beverley Manor District, delivered the invocation.

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Chairman Pyles explained tonight's procedures with the following comment:

The purpose of this Special Meeting tonight is strictly for the budget. We have gone through a process, several months of Staff putting together information; us meeting with Staff; us putting together a tentative budget; presenting it to the public and having the public respond to it. Tonight we will take definitive action on that budget. There are three items on the agenda and the first is to look at the Revised Budget for FY2011-2012.

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Jennifer M. Whetzel, Director of Finance, reiterated that this has been a process. On March 26<sup>th</sup> and 28<sup>th</sup>, the Board met and reviewed the revenues and expenditures. A list had been provided to be considered for advertisement. On April 4<sup>th</sup>, it was decided what the advertised tax rates would be as follows:

Real Estate	51¢(3¢ inc.)
Vehicles and Motorcycles Tangible Personal Property	\$2.57 (32¢ inc.)
Machinery and Tools and all other Tangible Personal Property	\$1.90

It also showed what the total school funding would be based on what has been advertised. The appropriations before the Board tonight are based on the advertised budget. The total revised budget would be \$216,244,291 which would include transfers between the funds. The total FY 2013 Proposed Budget would be \$211,445,542. If the Board makes changes from the advertised budget, it should be noted in the motion "as amended" and the appropriations approved tonight will be reflected in the minutes.

May 2, 2012, at 7:00 p.m.

**REVISED BUDGET FOR FY2011-2012**

The Board considered revised budget for Fiscal Year 2011-2012.

Mr. Wills moved, seconded by Mr. Beyeler, that the revised budget and appropriations for the fiscal year 2011-12, as presented at the public hearing held on April 18, 2012, and as revised, be approved.

BE IT RESOLVED by the Board of Supervisors of the County of Augusta, Virginia, that the following appropriation be made for the fiscal year **2011-2012** from the funds and for the functions or purposes indicated:

BE IT FURTHER RESOLVED that the Treasurer be, and is hereby authorized to transfer to other funds from the GENERAL OPERATING FUND from time to time as money becomes available, sums equal to, but not in excess of the appropriations made to these funds from GENERAL OPERATING FUND for the period covered by the appropriation.

BE IT STILL RESOLVED that the County Administrator is authorized, pursuant to a resolution adopted by this Board of Supervisors on November, 11, 1959, to pay all normal and routine claims, when presented for which appropriations are hereinafter made, with his own warrant.

GENERAL OPERATING FUND

11010	BOARD OF SUPERVISORS	167,290
12010	COUNTY ADMINISTRATOR	611,750
12030	PERSONNEL	172,745
12040	LEGAL SERVICES	233,855
12090	COMMISSIONER OF REVENUE	771,795
12130	TREASURER	545,430
12150	CENTRAL ACCOUNTING	326,295
12200	MANAGEMENT INFORMATION SYSTEMS	508,090
13010	BOARD OF ELECTIONS	257,715
21010	CIRCUIT COURT	89,150
21020	GENERAL DISTRICT COURT	5,600
21030	MAGISTRATE	3,025
21060	CLERK OF THE CIRCUIT COURT	720,605
22010	COMMONWEALTH ATTORNEY	884,770
31020	SHERIFF	5,159,080
31040	EMERGENCY SERVICES OPERATIONS	1,562,515
32010	FIRE DEPARTMENT	3,770,156
32020	EMERGENCY SERVICES - VOLUNTEERS	1,742,556
32030	FIRE TRAINING CENTER	262,225
33030	J&D COURT	40,425
33040	COURT SERVICES	2,750
33050	JUVENILE & PROBATION	1,356,000
34010	BUILDING INSPECTIONS	408,865
35010	ANIMAL CONTROL	358,625
41020	HIGHWAYS & ROADS	12,000
41040	STREET LIGHTS	114,000
42010	SANITATION & WASTE	1,808,570
42020	RECYCLING	141,750

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43010	BUILDING & GROUNDS	1,279,440
51010	HEALTH DEPARTMENT	501,000
51020	TAX RELIEF FOR THE ELDERLY	263,000
71010	PARKS & REC	1,367,010
71020	NATURAL CHIMNEYS	173,895
73010	LIBRARY-FISHERSVILLE	1,086,330
73020	LIBRARY-CHURCHVILLE	102,115
81010	COMMUNITY DEVELOPMENT	883,760
81020	TOURISM	197,460
81050	ECONOMIC DEVELOPMENT	180,610
82010	ENVIRONMENTAL MGMT. SYSTEMS	61,565
83010	EXTENSION OFFICE	87,950
83050	COUNTY FARM	13,000
92020	OTHER OPERATIONAL FUNCTIONS	887,447
92030	CONTRIBUTIONS	306,196
92040	CONTINGENCIES	55,000
94000	TRANSFERS TO OTHER FUNDS	46,807,037
GRAND TOTAL - GENERAL OPERATING FUND (11)		<u>76,290,447</u>
FROM:	Fire Revolving Loan Fund (12)	
TO:	Fire Revolving Loan Fund (12)	
	50000 Disbursement of Loans	<u>0</u>
	Grand Total - Fire Revolving Loan Fund (12)	0
FROM:	Drug Enforcement Fund (13)	
TO:	Drug Enforcement Fund (13)	
	31030 - Operations	<u>184,005</u>
	Grand Total - Drug Enforcement Fund (13)	184,005
FROM:	Economic Development Fund (14)	
TO:	Economic Development Fund (14)	
	53000 - Payments to E.D.A.	<u>88,000</u>
	Grand Total - Industrial Development Fund (14)	88,000
FROM:	Revenue Recovery Fund (15)	
TO:	Revenue Recovery Fund (15)	
	32020 - Payments to Agencies	553,600

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94000 - Transfers to Other Funds	<u>122,000</u>
Grand Total - Revenue Recovery Fund (15)	675,600

FROM: Virginia Public Assistance Fund (23)

TO: Virginia Public Assistance Fund (23)

For the operation of the Augusta County Department of Public Welfare, Virginia Public Assistance Fund and to be expended only on order of the Board of Welfare for the functions and objects as outlined in the budget requests as presented to the Board of Supervisors for informative and fiscal purposes only:

53010 - Administration	7,181,500
53020 - Public Assistance	3,005,000
53070 - Family Resource Center	<u>220,000</u>
Grand Total - Virginia Public Assistance Fund (23)	10,406,500

FROM: Comprehensive Services Act Fund (24)

TO: Comprehensive Services Act Fund (24)

53060 - Comprehensive Services	<u>3,390,000</u>
Grand Total - Comprehensive Services Act Fund (24)	3,390,000

FROM: School Operating Fund (41)

TO: School Operating Fund (41)

For the operation of the Public Schools of the School Operating Fund (41) and to be expended only on order of the Augusta County School Board of Augusta County, Virginia, for the functions and objects a contained in their budget requests as presented to the Board of Supervisors for financial and fiscal purposes:

11000 - Instruction	73,030,753
20000 - Admin/Attend/Health	2,922,405
30000 - Pupil Transportation	5,651,929
40000 - Operation/Maintenance	<u>10,201,872</u>
Grand Total - School Operating Fund (41)	91,806,959

FROM: School Cafeteria Fund (43)

TO: School Cafeteria Fund (43)

To be expended on order of the Augusta County School Board for the operation of the School Cafeteria Fund:

50000 - School Food Services	<u>4,673,705</u>
Grand Total - School Cafeteria Fund (43)	4,673,705

FROM: School Capital Improvement Fund (44)

TO: School Capital Improvement Fund (44)

62320 - Wilson Elementary	7,491,894
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	62500 - Special Capital Projects (High Schools)	<u>245,079</u>
	Grand Total - School Capital Improvement Fund (44)	7,736,973
FROM:	School Debt Fund (45)	
TO:	School Debt Fund (45)	
	92050 - Debt Service	<u>8,855,303</u>
	Grand Total - School Debt Service (45)	8,855,303
FROM:	Head Start Fund (47)	
TO:	Head Start Fund (47)	
	10000 - Instruction	1,743,856
	20000 - Admin/Attend/Health	366,740
	30000 - Pupil Transportation	60,131
	40000 - Maintenance Services	<u>74,019</u>
	Grand Total - Head Start Fund ( 47)	2,244,746
FROM:	Governor's School Fund (48)	
TO:	Governor's School Fund (48)	
	11000 - Instruction	1,205,277
	40000 - Operations/Maintenance	<u>31,200</u>
	Grand Total - Governor's School Fund (48)	1,236,477
FROM:	County Capital Improvement Fund (70)	
TO:	County Capital Improvement Fund (70)	
	8005 - Landfill	964,000
	8011- Infrastructure - Beverley Manor	50,000
	8012 - Infrastructure - Middle River	50,000
	8013 - Infrastructure - North River	50,000
	8014 - Infrastructure - Pastures	50,000
	8015 - Infrastructure - Riverheads	50,000
	8016 - Infrastructure - South River	50,000
	8017 - Infrastructure - Wayne	50,000
	8021 - Matching Grants - Beverley Manor	5,000
	8022 - Matching Grants - Middle River	5,000
	8023 - Matching Grants - North River	5,000
	8024 - Matching Grants - Pastures	5,000
	8025 - Matching Grants - Riverheads	5,000
	8026 - Matching Grants - South River	5,000

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8027 - Matching Grants - Wayne	5,000
8049 - Electoral Board-Voting Machines	65,938
8053 - Library - Automation	70,284
8057 - Fire Apparatus & Equipment	15,087
8134 - County School	304,299
8141 - Geographical Information System	97,304
8144 - Information Technology	697,482
8145 - Economic Development	200,000
8149 - A.C.S.A.Contribution	200,000
8151 - Flood Control Dams	51,775
8152 - Fire & Rescue Equipment	200,000
8161 - Blue Ridge Community College	85,000
8162 - Secondary Roads - Revenue Sharing	500,000
8165 - Homeland Security-Local	309,774
8166 - Vehicle Sinking Fund	966,017
8198 - Building Sinking Fund	392,642
94000 - Transfers To Other Funds	1,270,974
Grand Total - Capital Improvement Fund (70)	6,775,576

**GRAND TOTAL - APPROPRIATIONS (All Funds) 214,364,291**

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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PROPOSED BUDGET FOR FY2012-2013

The Board considered proposed budget for Fiscal Year 2012-2013 as presented at a public hearing held on April 18, 2012.

Mr. Wills moved, seconded by Mr. Moore, that the Board remove all the items that were added to Mr. Coffield's original budget from the budget to allow for the Board to discuss them individually.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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1. VRS 5.7%/5% - \$286,500

Mr. Moore, moved, seconded by Mr. Karaffa, that the Board include in budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

2. Contract Services - \$30,000

Mr. Beyeler stated that, at times the County Attorney may need legal assistance. It is understood that if not needed, it will not be expended.

Mr. Karaffa moved, seconded by Mr. Beyeler, that the Board include in budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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3. Business Auditor (Commissioner of Revenue) - \$16,800

Mr. Wills moved, seconded by Mr. Shull, that the Board remove from budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, and Pyles

Nays: Beyeler

Motion carried.

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4. Sheriff Deputies (2) - \$90,600

Mr. Beyeler moved, seconded by Mr. Wills, that the Board remove from budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Shull, Wills, Moore, Beyeler and Pyles

Nays: Karaffa

Motion carried.

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5. ECC Position - \$43,900

Mr. Wills moved, seconded by Mr. Karaffa, that the Board remove from budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

6. Fire and Rescue – Captain - \$77,400

Mr. Beyeler moved, seconded by Mr. Wills, that the Board remove from budget for FY2012-2013.

Mr. Pattie stated that the Fire Chief recommended 14 positions; the Board had decided on 4 (unanimous vote). “Nothing has changed as far as safety in the need of our citizens.”

Mr. Karaffa pointed out that a recent administrative hire had been made: Deputy Chief.

Vote was as follows: Yeas: Karaffa, Shull, Wills, Moore and Beyeler

Nays: Pattie and Pyles

Motion carried.

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7. Mt. Solon Firefighters (3) - \$182,500

Mr. Pattie moved, seconded by Mr. Karaffa, that the Board include in budget for FY2012-2013.

Mr. Pattie pointed out that the County has 58 paid personnel and that each supervisor represents 10,000 citizens and that there is not one paid position in North River. “There is a glaring need in Mt. Solon and Fire and Rescue staff puts this as their top priority.”

Vote was as follows: Yeas: Pattie, Karaffa, Moore and Pyles

Nays: Shull, Beyeler and Wills

Motion carried.

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8. Training - \$28,000

Mr. Wills moved, seconded by Mr. Beyeler, that the Board remove from budget for FY2012-2013.

Ms. Whetzel clarified that this was not a position; it is changes in the training standards by the state.

Mr. Wills withdrew motion.

Mr. Karaffa moved, seconded by Mr. Shull, that the Board include in budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

9. OMD - \$3,000

Mr. Karaffa moved, seconded by Mr. Moore, that the Board remove from budget for FY2012-2013.

Mr. Beyeler felt that the OMD needed an increase in pay. Mr. Karaffa felt that, while this pay increase may be deserved, they are looking at severe cuts across the board.

Vote was as follows: Yeas: Karaffa, Shull, Wills and Moore

Nays: Beyeler, Pattie and Pyles

Motion carried.

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10. Pay for Participation - \$232,000

Chairman Pyles explained that this is funding to establish an incentive program for the Volunteers. Mr. Beyeler stated that the \$232,000 is the equivalent of four positions. "If we can get additional volunteers, it's a whole lot cheaper than paying for additional paid firemen."

Mr. Beyeler moved, seconded by Mr. Shull, that the Board include in proposed budget for FY2012-2013. Mr. Wills suggested that the motion be amended to state that the money be set aside and approval would have to be made by the Board for actual expenditure.

Mr. Karaffa added, if approved, he would like to see this not go into a county-wide program but be set up as a pilot program to determine how successful it might be. Chairman Pyles said that he would prefer the motion remain as stated rather than encumber it with stating that it be a pilot program.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried, as amended.

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11. Riverheads Volunteer Contribution - \$22,195

Mr. Shull moved, seconded by Mr. Moore, that the Board remove from budget for FY2012-2013.

Vote was as follows: Yeas: Pattie, Shull, Wills, Moore and Pyles  
Nays: Karaffa and Beyeler

Motion carried.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

12. Economic Development Travel - \$3,250

Mr. Beyeler stated that it is hard to gauge travel expenses.

Mr. Beyeler moved, seconded by Mr. Karaffa, that the Board include in budget for FY2012-2013.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler  
  and Pyles  
  Nays: None

Motion carried.

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13. Company 10 Contribution - \$21,798

Mr. Karaffa moved, seconded by Mr. Wills, that the Board restore Company 10's funding to \$31,798 (\$10,000 had already been approved), and that it be included in proposed budget for FY2012-2013 (\$21,798 additional).

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore and Beyeler  
  Nays: Pyles

Motion carried.

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14. Reassessment - \$408,000

Mr. Wills moved, seconded by Mr. Beyeler, that the reassessment money be taken from budget fund balance and not be placed within the budget itself.

Mr. Wills noted that this would not be a reoccurring expense. Ms. Whetzel explained that it is in the 2013 budget but will be coming out of Fund Balance.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler  
  and Pyles  
  Nays: None

Motion carried.

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15. North River Salary/Infrastructure Account

Mr. Pattie moved, seconded by Mr. Karaffa, that the Board approve the allocation of his deferred salary to be placed in the North River Infrastructure Account (Account #80000-8013).

Mr. Beyeler made the following comment:

When a person runs for a position and commits to his community that he is not going to accept any monies for his services, then comes back within less than six months and wants us to add that so he can put it in his infrastructure account in that area without taxes, I will oppose.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

North River Salary/Infrastructure Account (cont'd)

Mr. Pattie made the following comment:

It makes no sense to send it to the Federal government and send it to the State government, take taxpayer money that they paid into the local budget, remove \$3,000 to \$4,000 of that and then give them the remaining part. What I want to do with that money, is every year, I want to help my community and put money into my community rather than putting money into my pockets. What I would like to do with that money specifically is to help start a library branch in Mount Solon. This isn't going to profit me at all. What you're suggesting is that I take \$3,000 or \$4,000, give it to another government agency, rather than giving it back to our own taxpayers who provided it to us.

Mr. Beyeler's response:

No, what I'm suggesting is that you take the money in salary, which you said you wouldn't, and then you pay taxes just like the rest of us do and then, whoever you want to give it to, you are allowed to do so. But to do it the other way, we're always trying to find people who want to not pay taxes on income that are paid to them.

Mr. Pattie's response:

It would be a tax deduction, anyway, so it wouldn't matter. It would be a wash.

Mr. Beyeler's response:

You're talking about a library in your area which is not in the budget. If we start it, then it is a continuous expense in that area. That isn't what you ran on.

Mr. Pattie's response:

It's exactly what I ran on.

Chairman Pyles made the following comment:

Unfortunately, I've seen this Board bring up new things in a budget in the middle of the year. We did Greenville Fire Department, which we hadn't planned to do and it is an ongoing expense. It's not unheard of and to think a man is giving up his own salary for the benefit of his people, I find that hard to fault.

Vote was as follows: Yeas: Pattie, Karaffa, Wills, Moore and Pyles

Nays: Beyeler and Shull

Motion carried.

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May 2, 2012, at 7:00 p.m.

PROPOSED BUDGET FOR FY2012-2013 (cont'd)

16. Schools - \$580,000

Mr. Wills made the following comment:

In regards to the distribution on this, looking at the Schools' funding, in the original proposal from Mr. Coffield, there was about \$800-and some thousand that was non-reoccurring revenue. I think we need to readjust that and make it the \$580,000 as non-reoccurring revenue that would come from our Capital Account and allow the schools to use it as the Superintendent outlined in his proposal to us. That leaves them fully funded for the year, as we suggested the \$3 million, and it allows the schools to use the capital as he had requested and it takes it to a one-time expense for us rather than a reoccurring one. In other words, I would like to split it up so that the reoccurring revenue is truly that—reoccurring revenue. Whether it comes from tax increases, or whether it comes from our CIP, we will determine that.

Chairman Pyles:

I would think, on this, we're working on the funding and we can direct whether it goes into Capital or Operating, but the next part of our agenda will be setting the tax rate and then that would come up.

Mr. Wills' response:

We need to clarify that this is part of the budget and where it comes from. I would think that we would need to move that \$580,000 from our Capital into their Capital and it not become part of the Operating Budget either for the schools or for the County.

Mr. Karaffa made the following comment:

I would respectfully request that we amend the motion. I believe that we need to give the School Board some direction with where their reoccurring funds are coming from and where their capital funds are going to total the \$3 million. Could we discuss this after we have decided on the tax rate?

Mr. Wills' response:

If it is the will of the Board. I just want to make sure that we get this balanced out and know where it's coming from.

Chairman Pyles asked for clarification.

Mr. Wills' clarification:

Basically, in the budget proposed by Mr. Coffield, he was moving \$850,000 from non-reoccurring CIP to the Schools. What I'm saying is, instead of \$850,000, that number should be \$580,000 as non-reoccurring and the balance of the \$3 million should be from reoccurring sources.

Chairman Pyles' response:

You can't say that at this point. You can suggest it, but we're just voting on spending the money and then we'll come up with how we're going to fund it. The budget is two different issues: One is the revenue, and one is expenses. We're determining expenses now.

Mr. Wills' response:

I'm saying this expense needs to be non-reoccurring. We need to have less non-reoccurring expense going to the schools.

Chairman Pyles was unclear as to how the motion should be done.

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

Schools - \$580,000 (cont'd)

Mr. Wills moved, seconded by Mr. Moore, that the Board direct the County Administrator to devy up the funds from CIP reoccurring and from CIP non-reoccurring accounts.

Chairman Pyles asked if the County Administrator understood the motion.

Patrick J. Coffield, County Administrator, responded that he understood.

Vote was as follows:           Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler  
  and Pyles

Nays: None

Motion carried.

Mr. Karaffa clarified that this would not affect the state money that the Schools are receiving.

Mr. Wills made the following comment:

I would like to make a point on this and for the public's benefit to understand that in light of the concern raised by members of this Board and raised by a few members of the public at our public hearing to reduce the amount of proposed tax increases. What we have done tonight and what we have so far included in the budget, we do not have in the budget items such as our District Infrastructure Accounts; our Matching Parks and Recreation grants; any money in the budget to assist the Service Authority with extension of lines or any other project that may be in there. We do not have money in the budget to do VDOT Revenue Sharing, where we can get a 50-50 grant. We do not have money in the budget for Stormwater Management. We do not have money in the budget for Flood Control Dams. These are all items that have been cut from this budget in order to try to meet and stay within the guidelines that the public has requested.

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Mr. Moore asked Ms. Whetzel for the revised increase. Ms. Whetzel said it would be \$794,440. She noted that, with a tax increase, that would automatically be split 50-50 with the Schools which could be applied to reduce dependence of non-reoccurring funding. She reiterated that if taxes are raised, there is a growth formula with the schools that automatically split any increase 50-50 with the schools.

Mr. Karaffa asked if his clarification was correct of allocating \$3 million to the Schools (some of it reoccurring); if the Board were to raise taxes, he asked if it would be inconsistent with the formula that they would take from the reoccurring revenue already used to fund the \$3 million and that the matching money would take its place. "In essence, we have already given the schools an advance on any kind of tax increase

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PROPOSED BUDGET FOR FY2012-2013 (cont'd)

Schools - \$580,000 (cont'd)

that may be coming.” Chairman Pyles added that “this increases the amount that comes from growth.” Ms. Whetzel agreed.

Mr. Wills moved, seconded by Mr. Karaffa, that the proposed budget and appropriations for the fiscal year 2012-13, as presented at the public hearing held on April 18, 2012, and as revised, be approved.

BE IT RESOLVED by the Board of Supervisors of the County of Augusta, Virginia, that the following appropriation be made for the fiscal year 2012-2013 from the funds and for the functions or purposes indicated:

BE IT FURTHER RESOLVED that the Treasurer be, and is hereby authorized to transfer to other funds from the GENERAL OPERATING FUND from time to time as money becomes available, sums equal to, but not in excess of the appropriations made to these funds from GENERAL OPERATING FUND for the period covered by the appropriation.

BE IT STILL RESOLVED that the County Administrator is authorized, pursuant to a resolution adopted by this Board of Supervisors on November, 11, 1959, to pay all normal and routine claims, when presented for which appropriations are hereinafter made, with his own warrant.

GENERAL OPERATING FUND

11010	BOARD OF SUPERVISORS	155,447
12010	COUNTY ADMINISTRATOR	545,590
12030	PERSONNEL	177,890
12040	LEGAL SERVICES	236,155
12090	COMMISSIONER OF REVENUE	769,830
12100	REASSESSMENT	408,000
12130	TREASURER	525,460
12150	CENTRAL ACCOUNTING	359,635
12200	MANAGEMENT INFORMATION SYSTEMS	615,345
13010	BOARD OF ELECTIONS	243,810
21010	CIRCUIT COURT	93,340
21020	GENERAL DISTRICT COURT	5,600
21030	MAGISTRATE	3,975
21060	CLERK OF THE CIRCUIT COURT	755,225
22010	COMMONWEALTH ATTORNEY	931,510
31020	SHERIFF	5,302,105
31040	EMERGENCY SERVICES OPERATIONS	1,550,185
32010	FIRE DEPARTMENT	4,191,235
32020	EMERGENCY SERVICES - VOLUNTEERS	2,015,941
32030	FIRE TRAINING CENTER	283,820
33030	J&D COURT	14,435
33040	COURT SERVICES	2,800
33050	JUVENILE & PROBATION	1,343,720
34010	BUILDING INSPECTIONS	387,865

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35010	ANIMAL CONTROL	369,025
41020	HIGHWAYS & ROADS	19,950
41040	STREET LIGHTS	116,000
42010	SANITATION & WASTE	1,810,330
42020	RECYCLING	145,750
43010	BUILDING & GROUNDS	1,357,190
51010	HEALTH DEPARTMENT	516,300
51020	TAX RELIEF FOR THE ELDERLY	263,000
71010	PARKS & REC	1,400,405
71020	NATURAL CHIMNEYS	175,175
73010	LIBRARY-FISHERSVILLE	1,089,670
73020	LIBRARY-CHURCHVILLE	105,545
81010	COMMUNITY DEVELOPMENT	929,345
81020	TOURISM	195,960
81050	ECONOMIC DEVELOPMENT	211,259
82010	ENVIRONMENTAL MGMT. SYSTEMS	44,905
83010	EXTENSION OFFICE	94,660
83050	COUNTY FARM	13,000
92020	OTHER OPERATIONAL FUNCTIONS	762,640
92030	CONTRIBUTIONS	316,012
92040	CONTINGENCIES	70,489
94000	TRANSFERS TO OTHER FUNDS	<u>44,282,442</u>
GRAND TOTAL - GENERAL OPERATING FUND (11)		75,207,970

FROM: Fire Revolving Loan Fund (12)

TO: Fire Revolving Loan Fund (12)

50000 Disbursement of Loans	<u>505,000</u>
Grand Total - Fire Revolving Loan Fund (12)	505,000

FROM: Drug Enforcement Fund (13)

TO: Drug Enforcement Fund (13)

31030 - Operations	<u>95,620</u>
Grand Total - Drug Enforcement Fund (13)	95,620

FROM: Economic Development Fund (14)

TO: Economic Development Fund (14)

53000 - Payments to E.D.A.	<u>74,000</u>
Grand Total - Industrial Development Fund (14)	74,000

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FROM: Revenue Recovery Fund (15)  
TO: Revenue Recovery Fund (15)

32020 - Payments to Agencies	578,300
94000 - Transfers to Other Funds	<u>164,000</u>
Grand Total - Revenue Recovery Fund (15)	742,300

FROM: Virginia Public Assistance Fund (23)  
TO: Virginia Public Assistance Fund (23)

For the operation of the Augusta County Department of Public Welfare, Virginia Public Assistance Fund and to be expended only on order of the Board of Welfare for the functions and objects as outlined in the budget requests as presented to the Board of Supervisors for informative and fiscal purposes only:

53010 - Administration	7,422,022
53020 - Public Assistance	2,737,000
53070 - Family Resource Center	<u>285,000</u>
Grand Total - Virginia Public Assistance Fund (23)	10,444,022

FROM: Comprehensive Services Act Fund (24)  
TO: Comprehensive Services Act Fund (24)

53060 - Comprehensive Services	<u>3,500,000</u>
Grand Total - Comprehensive Services Act Fund (24)	3,500,000

FROM: School Operating Fund (41)  
TO: School Operating Fund (41)

For the operation of the Public Schools of the School Operating Fund (41) and to be expended only on order of the Augusta County School Board of Augusta County, Virginia, for the functions and objects a contained in their budget requests as presented to the Board of Supervisors for financial and fiscal purposes:

11000 - Instruction	73,654,278
20000 - Admin/Attend/Health	2,960,525
30000 - Pupil Transportation	5,516,692
40000 - Operation/Maintenance	<u>8,955,728</u>
Grand Total - School Operating Fund (41)	91,087,223

FROM: School Cafeteria Fund (43)  
TO: School Cafeteria Fund (43)

To be expended on order of the Augusta County School Board for the operation of the School Cafeteria Fund:

50000 - School Food Services	<u>4,713,225</u>
Grand Total - School Cafeteria Fund (43)	4,713,225



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May 2, 2012, at 7:00 p.m.

FROM: School Capital Improvement Fund (44)  
 TO: School Capital Improvement Fund (44)

62320 - Wilson Elementary	<u>6,728,561</u>
Grand Total - School Capital Improvement Fund (44)	6,728,561

FROM: School Debt Fund (45)  
 TO: School Debt Fund (45)

92050 - Debt Service	<u>9,094,960</u>
Grand Total - School Debt Service (45)	9,094,960

FROM: Head Start Fund (47)  
 TO: Head Start Fund (47)

10000 - Instruction	1,776,198
20000 - Admin/Attend/Health	351,827
30000 - Pupil Transportation	60,474
40000 - Maintenance Services	<u>29,807</u>
Grand Total - Head Start Fund ( 47)	2,218,306

FROM: Governor's School Fund (48)  
 TO: Governor's School Fund (48)

11000 - Instruction	1,233,089
40000 - Operations/Maintenance	<u>31,200</u>
Grand Total - Governor's School Fund (48)	1,264,289

FROM: County Capital Improvement Fund (70)  
 TO: County Capital Improvement Fund (70)

8057 - Fire Apparatus & Equipment	16,350
8139 - Tourist Information Center	10,000
8152 - Fire & Rescue Equipment	200,000
8161 - Blue Ridge Community College	85,000
8198 - Building Sinking Fund	253,376
94000 - Transfers To Other Funds	<u>2,162,156</u>
Grand Total - Capital Improvement Fund (70)	2,726,882

**GRAND TOTAL - APPROPRIATIONS (All Funds) 208,402,358**

May 2, 2012, at 7:00 p.m.

PROPOSED BUDGET FOR FY2012-2013 (cont'd)

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

\* \* \* \* \*

2012 TAX RATES

The Board considered adoption of real and personal tax rates for 2012, as proposed at a public hearing held on April 18, 2012.

The Board had directed staff to advertise the draft budget with the following tax rates:

Real Estate	51¢ (current 48¢)
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Mr. Karaffa moved, seconded by Mr. Shull, that the Board approve a Real Estate tax rate of 48¢.

Mr. Moore made the following comment:

I would just like to bring up a couple of points. Rockingham, who is our County to the very north of us, just approved a budget going from 60¢ to 64¢. City of Staunton has just approved a budget to go from 90¢ to 95¢ and Waynesboro has not adopted theirs, but it is based on a recommendation of going from 70¢ to 78¢. With all the people that came in here and said that we should not raise taxes. Just about every one of them talked about Federal government and State government not spending money wisely and that is not really what we're talking about here. What we're talking about is our local government trying to provide the services that we need. The 48¢ is half of what the City of Staunton is and I cannot imagine that we're twice as good in what we do as the City of Staunton is. I think we do a good job here and it comes to a point that you have got to be able to fund the services that you have. We just added almost \$800,000 of reoccurring money to our budget. I know there is a feeling that we can make this up in taking it out of reserves because things are going to get better, but I can tell you there is a lot of people on Wall Street right now that would love to have that reassurance because nobody really knows what is going to happen. I think the prudent thing is to make sure that you are supporting those things being important with reoccurring revenue. What is really shocking to me: Rockingham, which has a higher tax rate, funds their School Board an additional \$714 per student over us. For every student, 11,412, that they have in their system, they get an additional \$714 per student. When you start talking about teacher pay and technology and buses and all the parts that go into having a good school system, that comes into a considerable amount of money. I'm very proud that we committed to the \$3 million, but I really think that we're to the point that we're not holding ground anymore; we're going in the wrong direction. I would like to think that this Board would be willing to move the County forward instead of just trying to stay where we're at.

Mr. Karaffa made the following statement:

I would just like to make the point that Augusta County went through a rough reassessment process and that I believe that any change in the real estate tax rates at this point in time with the uneasiness of our real estate tax assessment, or reassessment, would not be prudent. Again, we'll have a new reassessment on the books in January of 2014. We've already hired the company. I think the Board has shown considerable progress forward in how fast that we have moved on the reassessment and the path and direction that we're taking.

Mr. Beyeler made the following comment:

There has been a lot of discussion about the old assessment. I'm not saying it is 100% correct, but I think some members on this Board is going to get a real shock when we get

May 2, 2012, at 7:00 p.m.

2012 TAX RATES (cont'd)

our new one because what they're hoping for, I don't think we're going to get. Property is based on a willing buyer and a willing seller and whether you have a whole lot more on the real estate side, or the house side, or building, it's a total. I think we're going to find out that our assessment is not that far off. The other thing is we're pulling money out of the reserves. One thing that doesn't show up, and I bring up every time, is we're falling a million dollars more behind on retirement. In this year's budget, in this one we're proposing, we're going to fall back probably \$1 million. Where will that money come from? I don't like to pay anymore taxes than I have to, either. I do pay a good bit more taxes than some of you. The only thing that I can compare in what we're doing is we're doing exactly what the Federal government is doing. We're spending more than what we're taking in. How long can you do that? We can do it a year or two, maybe, but you can't do that very long because we're guilty of the same thing we accuse the Federal and State government of and we're doing it here locally. Now, again, you ask people if they want to pay more real estate tax at the public hearing. I kept a count of the people who talked to me privately and I'm here to tell you that there are more people who talked to me about increasing a little bit on the real estate than the other way around. I don't believe that the majority of people out here are necessarily in favor of cutting services to keep the present real estate rate. Now, the motion is on the real estate side. Are we going to consider the other at the same time?

Chairman Pyles said each item was going to be considered separately.

Mr. Wills made the following comment:

As I've said throughout this process, what really concerns me is the amount of dollars we're taking out of our CIP. If you look at what was designated for the CIP for County projects, there was about \$5 million originally in there. This will be the sixth time that a Board has reached into the CIP and taken reoccurring revenue from the CIP. It's leaving less than \$500,000 as reoccurring revenue going into it. That is less than 10% of what we determine that we probably would need to properly fund it on a yearly basis. On the proposal that Mr. Coffield gave us, the smallest yearly amount in the plan was \$1.4 million. We're not anywhere near it. We're one-third of that amount going in. In terms of the tax increase, it is always my opinion that it is a whole lot easier to do in a couple of small steps than one huge step. I'm afraid what we're putting ourselves in position for is that once the reassessment occurs, and we find out that we really were not that out of line with what we did, that we're putting ourselves in a position to face a fairly large tax increase at one shot. As Mr. Beyeler said, we cannot continue to take from our other funds. I will not support the motion.

Vote was as follows: Yeas: Pattie, Karaffa, Shull and Pyles

Nays: Wills, Beyeler and Moore

Motion carried.

\* \* \*

2012 TAX RATES (cont'd)

Vehicles and Motorcycles Tangible Personal Property           \$2.57 (current \$2.25)

Mr. Wills moved, seconded by Mr. Moore, that the Board approve the 32¢ increase.

Mr. Karaffa felt that it would not be necessary to increase it 32¢. He suggested

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2012 TAX RATES (cont'd)

increasing it 25¢, which would allow \$596,000 out of the non-occurring account.

Mr. Moore added that, during his research, Rockingham County's tax rate is \$2.85 per \$100 and Staunton is \$2.75 per \$100.

Chairman Pyles made the following comment:

I think over this process everybody is right. The schools need more money. It is not sustainable to keep going into Capital. I don't think anybody thinks it is. But the other people are right – they're paying enough. There is a disconnect in what is happening to our money. I don't know if any of you guys are offended, but I would be offended by Governor McDonnell's latest ad where he is talking about \$1 billion surplus, no tax increases, how everything is wonderful. Our people out there is saying, 'We got a \$1 billion extra, no tax increase, but I don't think Governor McDonnell goes by the saying for parents, 'You're only as happy as your saddest child' because we got a lot of sad children out here in this County—out here in this State. Rockingham doesn't like to raise their taxes. Staunton doesn't like to raise their taxes. Waynesboro doesn't like to do that, but we are being abused by the State. The biennium budget for 2006-2008 was \$76 billion; this year it's \$85 billion. It has gone up something like 20%. Yet, there is less money going to direct Aid and Education. You're talking about the \$700 Rockingham is increasing for their schools, we've had that much of a drop from the State on our kids. We're going up in students and down in funding. And nobody wants to do anything about it. Mr. Karaffa is not wrong about the principal of having a legislative liaison in Richmond to do the work of the people. That should be what our delegates are up there to do. But they're not doing it. All you have to do is look at all the tax credits that are being generated every year and never touched. In the last two years, there has been over a \$100 million going to land preservation. There's been \$60 million in historical restoration. That's \$60 million from us and that's 25% from the State and then they can get 20% from the Federal government. So our 25 and their 20 and our 60, there is \$100 million of tax money going to restored housing. So we got one program to stop buildings and then we have another program to stop us from taking down buildings. Maybe, if we built something, we would have something that we wouldn't have to restore. This year, while we're taxing public education, there's a \$25 million new credit for private schools. The argument was well, we'll take it off of our public schools. There's 29,000 student presently in private schools. They can all get the \$2,000 each. It is for low income families as determined by the State, which is \$70,000 and below. The job that we have to do is to press everybody besides our taxpayers. We have to press our delegates to start making it fair what is being sent out there. We're sending all that money up there and it is not coming back. And we sit there and listen to excuses, 'well, it's the other party; oh, it's northern Virginia; oh, it's a committee chairman'. We have to raise heck and say, 'You know, your basic job is education, law enforcement and roads'. They're the things you're supposed to be about. Not getting all these other extraneous things, to get everybody what they want. If somebody doesn't want to develop their land, don't develop it, but don't make us pay for it. Don't keep having that money come back. My problem with going ahead with any tax increase is that we haven't beat the bushes hard enough against our legislators.

Dr. Bishop is over there and I think there's some savings there of non-educational things.

We need to work on that. That's why they're sending us here for us to see that the money is well-spent. We need to get some of those things changed so next year we won't have to have that big tax increase. Right now, the people are right. They're paying enough taxes. They send it to Washington and there's a big bite out of and something comes back and they send it to Richmond, there's two bites out of it, and they send it back. We do the best job of anybody in using their money. We give them a pass when we're not holding them accountable to take care of our people and they're not doing it. Before we pass on anything to our people, I would rather make a bigger demand on the money that is going to Richmond and not getting back to us. Just to put it in focus for you a little bit, \$85 billion for two years, \$42 billion a year; there's 8 million people in Virginia. That's \$5,000 a person. We've got 70,000 people in Augusta County; \$350 million. That's how much money ought to be allotted to us. What are we getting; \$70-80 million; where's it all going? It's not coming back here. It's all these other complications that are out there. I just think before we push on the people that have the least who are up against it everyday, that we ought to push on the folks that are diverting the money away from the basic premises that we need to fund.

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2012 TAX RATES (cont'd)

Mr. Karaffa asked Ms. Whetzel if \$133,500 was added to the budget for Aid to the Commonwealth. Ms. Whetzel responded that it was not reflected in the advertised budget. "We were already sending a prescribed amount for Aid to the Commonwealth, and they have come back said that we had to give more back. Taking that \$133,500 to account, what does that actually raise us to?" Ms. Whetzel said it was up to \$927,950.

Chairman Pyles said he had spoken with the County Legislative Liaison asking where the \$60 million was going to in the budget. She said it goes into the Governor's surplus.

Chairman Pyles further stated, "That's what our Aid to the Commonwealth is—their surplus. They can cut tax credits; they would rather demand that we send money back to them."

Vote was as follows:           Yeas: Wills, Moore and Beyeler

                                      Nays: Karaffa, Pattie, Shull and Pyles

Motion failed.

\* \* \*

Mr. Moore moved, seconded by Mr. Wills, that the Board approve the rate at \$2.56.

Mr. Beyeler made the following comment:

We can play this game all night. As Ms. Whetzel said, we have to send the State more money. Somehow, we can criticize the State but they've got funding problems, too. I don't agree with everything they're spending on, but the buck stops here. We're being looked to provide good services for the people of Augusta County. We can talk about State and Federal all night long, but that doesn't change our responsibility.

Vote was as follows:           Yeas: Wills, Moore and Beyeler

                                      Nays: Karaffa, Pattie, Shull and Pyles

Motion failed.

\* \* \*

Mr. Beyeler moved, seconded by Mr. Karaffa, that the Board approve the Vehicles and Motorcycles Tangible Personal Property tax rate to \$2.50.

Mr. Karaffa made the following comment:

I made this comment about a week ago that at the local level, at least what I have realized in the almost four months that we've been in office, that the majority of our job is to decide how we're going to pay for State and Federal mandates. It's less an ability for us, as a locality, to determine our own destiny and more for us to just deliver the bad news to the people. To raise the personal property tax by 25¢ to \$2.50, it would raise enough money to slip back what we're pulling out of the CIP to just under \$1 million. It would be somewhere in the neighborhood of \$740,000. That is consistent with where our County Administrator felt comfortable in taking money out of the CIP, taking it out of

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2012 TAX RATES (cont'd)

the Department of Social Services funding for their building, which I believe we just put a roof on; and taking monies out of the Fire Training Center, which I think we all realized without a regional partner, will be a very long time before we can move forward on it. I think it is responsible and it is equitable to take those monies out and use them in this tough budget; however, further cuts than that, I would not support.

Vote was as follows: Yeas: Karaffa, Wills, Moore and Beyeler

Nays: Pattie, Shull and Pyles

Motion carried.

\* \* \* \* \*

Machinery and Tools and all other Tangible Personal Property \$1.90

Mr. Beyeler moved, seconded by Mr. Moore, that the Board approve Machinery and Tools and all other Tangible Personal Property tax rate to remain at \$1.90.

Mr. Wills made the following comment:

In doing this, we're showing Business that we do truly value what they bring to our community and that we're not trying to live off the backs of the Business and we're trying to give them every break so that they can be successful.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

Mr. Karaffa made the following comment:

I would just like to point for the benefit of the public who is here with us. With the taxes for personal property going from \$2.25 to \$2.50, somebody owning \$5,000 worth of vehicles will see a \$12.50 raise in the amount that they pay. Somebody who has \$40,000 in vehicles, would see \$100 in a yearly difference. That does not take into account what the State puts aside as part of the car tax relief.

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CLOSED SESSION

On motion of Mr. Moore, seconded by Mr. Wills, the Board went into closed session pursuant to:

**(1) the personnel exemption under Virginia Code § 2.2-3711(A)(1)**  
[discussion, consideration or interviews of (a) prospective candidates for employment, or (b) assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific employees]:

A) Performance

On motion of Mr. Beyeler, seconded by Mr. Wills, the Board came out of closed Session.

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

May 2, 2012, at 7:00 p.m.

\* \* \* \* \*

CLOSED SESSION (cont'd)

The Chairman advised that each member is required to certify that to the best of their knowledge during the closed session only the following was discussed:

- 1. Public business matters lawfully exempted from statutory open meeting requirements, and
- 2. Only such public business matters identified in the motion to convene the executive session.

The Chairman asked if there is any Board member who cannot so certify.

Hearing none, the Chairman called upon the County Administrator/ Clerk of the Board to call the roll noting members of the Board who approve the certification shall answer AYE and those who cannot shall answer NAY.

Roll Call Vote was as follows:

AYE: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles  
NAY: None

The Chairman authorized the County Administrator/Clerk of the Board to record this certification in the minutes.

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ADJOURNMENT

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

Vote was as follows: Yeas: Pattie, Karaffa, Shull, Wills, Moore, Beyeler and Pyles

Nays: None

Motion carried.

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Chairman  
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\_\_\_\_\_  
County Administrator