

Regular Meeting, Wednesday, April 10, 2013, 7:00 p.m. Government Center, Verona, VA.

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

VIRGINIA: At a regular meeting of the Augusta County Board of Supervisors held on Wednesday, April 10, 2013, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 237th year of the Commonwealth....

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Chairman Moore welcomed the citizens present.

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The following students from Stuarts Draft High School led us with the Pledge of Allegiance. All of these students participated in the High School's Les Miserables play. Also, attending were Amy Bussey, the Drama Teacher and Les Miserables Director, and Donna Abernathy, Principal.

Dylan Yancey; Shane Siebken; Bryce Morgan; Leah Kasmak; and Hersey Lane

Leah, a senior, plans on attending Virginia Tech and studying Animal Science and hopes to become a veterinarian. Dylan, a senior, plays football, basketball and baseball and plans on attending Virginia Tech. Shane, a senior, participates in Theater, previously played soccer and will be attending Washington and Lee University. Bryce, a ninth grader, hopes to participate in more drama programs. Hersey Lane, an eleventh grader, participates in Drama and Band and hopes to major in Music at James Madison University.

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

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DAIKIN MCQUAY – PRESENTATION OF BOARD RESOLUTION

Supervisor Karaffa read the resolution honoring Daikin McQuay, which had previously been adopted on February 13, 2013, and then presented it to representatives of Daikin McQuay.

Michael Zamalis, Director of Engineering; Larry Kroggel, Director of Human Resources; and Paula Moore, Project Manager, gave a PowerPoint presentation to the Board with an update of the project noting that McQuay International is a Verona manufacturer of heating, cooling, ventilation and refrigeration systems. The Verona plant makes chiller products that make cold water used in air-handling equipment. This expansion will provide 50 additional jobs. Ms. Moore mentioned that the demolition has begun and will be going through construction drawings in the next two weeks and look to start construction the first part of May. The project will be scheduled for completion in September.

Chairman Moore added that the State helped Daikin McQuay with their expansion and informed the Board that a resolution is needed.

April 10, 2013, at 7:00 p.m.

DAIKIN MCQUAY – PRESENTATION OF BOARD RESOLUTION (cont'd)

Mr. Karaffa moved, seconded by Mr. Wills, that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF AUGUSTA COUNTY, VIRGINIA**

WHEREAS, Daikin McQuay has determined to expand its existing facility in Verona, Virginia; and

WHEREAS, the expansion of the facility will entail a capital expenditure of approximately \$9,200,000.00; and

WHEREAS, Daikin McQuay has applied for and received a grant from the Governor’s Development Opportunity fund in the amount of \$250,000 and Virginia Jobs Investment Program funds in the amount of \$55,250; and

WHEREAS, the County of Augusta is required to provide matching funds in the amount of \$250,000 for the Governor’s Development Opportunity fund and \$55,250 for the Virginia Jobs investment Program.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF AUGUSTA COUNTY, VIRGINIA:

1. That the Chairman of the Board of Supervisors is authorized to execute a Performance Agreement outlining the funding above and the targets Daikin McQuay must reach under the terms of the grant and program.
2. That the sum of \$305,250 is as the County’s match for the grant and program funds.
3. This Resolution shall take effect immediately upon its adoption.

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

Nays: None

Motion carried.

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MATTERS TO BE PRESENTED BY THE PUBLIC

The following spoke on school funding and a possible increase in taxes:

Shane Siebken, Martin Siebken, Larry Weeks, Barbara Allen, Cyndi and Jonathan Morrison, Ed Long, Julie Pittman, Emilie Hoefler, Hersey Lane, Elizabeth Keatts and Steve Kyle (Stuarts Draft P.E. Teacher)

Shane Siebken spoke highly of the Governors School and the benefit that it provides. Martin Siebken felt that the arts are an important part of a well-rounded education. He asked that those band members present stand and show their new uniforms purchased with a \$15,000 fundraiser last year. Mr. Weeks said that people cannot graduate from high schools and make a good living in manufacturing anymore. “Young people need specialized education. The local government must pick up the slack from reduced (state and federal) funding to maintain schools.” Ms. Allen wanted to see children have as many opportunities in schools as she had. “If we invest in our County, now, Augusta County, as a whole, will benefit in the long run.” Ms. Morrison noted that many school

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE PUBLIC (cont'd)

employees could qualify for state and federal public assistance and questioned what that said about school funding. Dr. Long congratulated the Board for supporting a balanced budget. He expressed concern about whether the School Board really cared about school employees because they did not put some health insurance coverage in the balanced part of the budget. Without the \$2.5 million in extra funding, bus drivers and cafeteria employees will take a 50% coverage in health care insurance. He added that Supervisors authorized the School Board to use \$1.4 million in capital reserves to fund employee benefits, and school leaders have not responded to it. Ms. Hoefler and Mr. Lane said that their activities have made her a well-rounded individual. Mr. Kyle noted the most important jobs: 1) Parent; 2) Teacher. "Please fund whatever the School Board asked you to fund for our children and for those teachers who deserve a lot better than what they're getting."

Chairman Moore invited the public to return to the Budget Public Hearing next Wednesday, April 17th, at 7:00 p.m.

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BUCKINGHAM BRANCH RAILROAD COMPANY

The Board considered resolution supporting State funding request by BBRC for rail improvements.

Timmy Fitzgerald, Director of Community Development, advised that Buckingham Branch Railroad Company is asking for support of state funding. Buckingham Branch plans on replacing curve track on various locations through the County at an estimated cost of \$800,000 over the next four years.

Mr. Wills moved, seconded by Mr. Shull, that the Board adopt the following resolution:

**RESOLUTION ENDORSING
RAIL PRESERVATION APPLICATION OF
BUCKINGHAM BRANCH RAILROAD COMPANY**

WHEREAS, Buckingham Branch Railroad Company desires to file an application with the Virginia Department of Rail and Public Transportation for funding assistance for the North Mountain Subdivision Rail Improvements project, which will replace approximately 12,000 linear feet of curve work rail between Milepost 194 and 209; and

WHEREAS, Buckingham Branch Railroad Company estimates that this project will cost \$800,000; and

WHEREAS, the General Assembly, through enactment of the Rail Preservation Program, provides for funding for certain improvements and procurement of railways in the Commonwealth of Virginia; and

WHEREAS, Buckingham Branch Railroad Company is an important element of the County of Augusta transportation system; and

WHEREAS, Buckingham Branch Railroad Company is instrumental in the economic development of the area, and provides relief to the highway system by transporting freight, and provides an alternate means of transportation of commodities; and

WHEREAS, the County of Augusta supports the project and the retention of the rail service; and

WHEREAS, the Commonwealth Transportation Board has established procedures for all allocation and distribution of the funds provided.

NOW, THEREFORE, BE IT RESOLVED, that the County of Augusta Board of Supervisors does hereby request the Virginia Department of Rail and Public Transportation to give priority consideration to the North Mountain Subdivision Rail Improvements project proposed by Buckingham Branch Railroad Company for inclusion in the projects funded in the Rail Preservation Program.

April 10, 2013, at 7:00 p.m.

BUCKINGHAM BRANCH RAILROAD COMPANY (cont'd)

BE IT FURTHER RESOLVED, that a copy of this resolution be spread upon the minutes and sent to Buckingham Branch Railroad.

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

Nays: None

Motion carried.

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SHENANDOAH VALLEY RAILROAD COMPANY

The Board considered resolution supporting State funding request by SVRC for rail improvements.

Mr. Fitzgerald advised that this was a similar resolution to Buckingham Branch asking for the same type of funding from the State. They would like to do some track replacements, drainage work and railroad ties replacement at an estimated cost of \$998,050 over the next six years.

Mr. Wills moved, seconded by Mr. Beyeler, that the Board adopt the following resolution:

**RESOLUTION
Support of Rail Preservation Application
SHENANDOAH VALLEY RAIL ROAD LLC**

WHEREAS, Shenandoah Valley Rail Road LLC desires to file an application with the Virginia Department of Rail and Public Transportation for funding assistance for the Programmatic six year plan #6324, #6326, #6328, #6329, and #6330 projects, which will replace cross ties, surface and tamping, Blast placement and Ditching, and

WHEREAS, Shenandoah Valley Rail Road LLC estimates that this project will cost \$ 998,050 over the six years 2014 to 2019; and

WHEREAS, the General Assembly, through enactment of the Rail Preservation Program, provides for funding for certain improvements and procurement of railways in the Commonwealth of Virginia; and

WHEREAS, Shenandoah Valley Rail Road LLC is an important element of the County of Augusta transportation system; and

WHEREAS, Shenandoah Valley Rail Road LLC is instrumental in the economic development of the area, and provides relief to the highway system by transporting freight, and provides an alternate means of transportation of commodities; and

WHEREAS, the County of Augusta supports the project and the retention of the rail service; and

WHEREAS, the Commonwealth Transportation Board has established procedures for all allocation and distribution of the funds provided.

NOW, THEREFORE, BE IT RESOLVED, that the County of Augusta does hereby request the Virginia Department of Rail and Public Transportation to give priority consideration to the Programmatic six year plan #6324, #6326, #6328, #6329, and #6330 proposed by Shenandoah Valley Rail Road LLC for inclusion in the projects funded in the Rail Preservation Program.

April 10, 2013, at 7:00 p.m.

SHENANDOAH VALLEY RAILROAD COMPANY (cont'd)

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

Nays: None

Motion carried.

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RIVERHEADS VOLUNTEER FIRE DEPARTMENT

The Board considered additional funding for previously approved project.

Funding Source: Riverheads Infrastructure Account #80000-8015-73 \$1,383

Fire Chief Carson Holloway advised that this project has been revisited and it has been determined that the cost is higher than expected by \$1,383.

Mr. Shull moved, seconded by Mr. Beyeler, that the Board approve the additional funding in an amount not to exceed \$1,383.

Mr. Pyles questioned why this was being done with it being a new building. Fire Chief Holloway said that the snow brakes were not installed in the original construction.

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

Nays: None

Motion carried.

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WAIVERS/VARIANCES - NONE

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CONSENT AGENDA

Mr. Karaffa moved, seconded by Mr. Shull, that the Board approve the consent agenda as follows:

MINUTES

Approved minutes of the following meetings:

- Budget Work Session Meeting, Monday, March 25, 2013
- Staff Briefing Meeting, Monday, March 25, 2013
- Budget Work Session Meeting, Wednesday, March 27, 2013
- Regular Meeting, Wednesday, March 27, 2013

CLAIMS

Approved claims paid since March 13, 2013.

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

Nays: None

Motion carried.

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April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD

The Board discussed the following issues:

Mr. Pyles made the following comments:

I kind of regret that everybody left. It has been one of the issues during this campaign by the School Board to raise taxes and it has been kind of a one-way discussion. It hasn't been a discussion about funding needs, but it has just been 'raise my taxes'. That is what Mr. Shifflett asked for in January. That is what the petitioners are asking for--10¢ increase in taxes. I guess they put out one of those blurbs to everybody, today, to send your on-line petition because I got about 50 more names, today. And I look at every comment. About 300 petitioners, now, have sent their desire to raise taxes 10¢. We have different people to come to our Boards. Mr. Trice said I lashed out when I responded to the School Board, but, you know, the School Board gets very favorable coverage because they are on the side of angels. We're just curmudgeons here who are only thinking about dollars and cents. We haven't been able to get equal playback. Dr. Bishop has addressed our Board twice. He wrote a column for the newspapers—a Sunday thing--column; picture. The Supervisors sent something in and it's on a Tuesday or Wednesday in the Letters to the Editor. So, now, we don't rate the same standing. I offered to meet with people to explain the budget. Two people showed up. This is what they say, 'this is what we need. Don't confuse us with anything else'. But there is more to it than that. People continually come to me and say, 'Why are you putting your nose in the School Board's business?' I just want to read to you from the Code of Virginia, "Board possesses general powers of management. The Board, speaking of the Board of Supervisors, shall have possessed and exercised the general management of the affairs of the County". There is no bigger fare in this County than funding our education. I know folks are wanting to take our tax rate up from 48¢ to 58¢. Do you know, if we had a tax rate of 66¢, and we gave it all to you, it would be just what you are getting now because we don't just fund from real estate. Last year, this Board increased Personal Property Tax 20% on the share that our people pay. In January, our citizens got hit with a 2% payroll tax. On July 1st, you'll get a 10% increase in your sales tax. If this Board, the four who voted to increase your tax 5¢ have their way, it will be a 10% increase where you live. So your job is hit, your car is hit, and your home is hit, and if you go buy a shirt, you're hit. While I understand the stress of each of you on the School Board are in, we have a lot of people out there that are under stress, too, who just can't demand that there be more money. Mr. Weeks mentioned DuPont. That's kind of funny. We don't have a DuPont, anymore. We got the Koch Brothers bought it and we went down from 5,000 jobs to 1,000 jobs. Pay raises were dropped. You don't think those people felt stress? We all feel it. American Safety Razor, where I worked and retired from, we got plants in Mexico, Israel, Czech Republic, Tennessee; we went down. You don't think there is stress with those people! They have had give-back after give-back. It's not to say you haven't earned your pay. If the request is, right now, what this Board is saying they'll do if they increase the taxes 5¢, it'll be like \$1.5 million more for schools this year. We can do that this minute. We can do it with existing funding sources and assets. In the next 7 years, the capital funding will have a surplus of \$7 million. We have continued to put construction over instruction. In 2005, we did it, again; we took our capital funding from under \$5 million to \$7,250,000; from 2007 to 2013, the share of education funding in capital went from 14% to 20%. How much construction do we need? We talk about the pod schools. Well, they've been talking about that since 1996. I visited Cassell in 1996 when Lowell Howell was Assistant Principal. I remember it well because Lowell went to Deerfield Elementary with me so we go back a long way. Lowell has passed away since then. We were saying, 'Oh, we need to fix these up,' but everything else came up a higher priority all along the way. We had to improve the two high schools. We made them larger than we will ever need. We've got them up to 900 and they just dropped the schools back to single A. We've spent millions on those things. We've built the middle school. Last year, the priority was, ahead of the pods, to move the offices down here and it was going to be like \$3 million. That wasn't a priority then, so, now, it's a priority. We need to push that on the back burner. We need to start redirecting that \$2.5 million that we put up in 2007 and put it back to education. If we had that \$2.5 million, now, that is exactly what Dr. Bishop has asked for. You would have what you need, now, to do your schools. It just comes back to me, on the Cassell situation, with the pods, guess what! The people at Cassell liked their schools. What was the big hullabaloo when they were going to do the redistricting? Those people that were going to Cassell didn't want to come to the new and improved Wilson Elementary School because it

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

always comes down to just the student and the teacher. That's where your quality is. That young man thinks it's up to this bunch up here. He's in trouble if he thinks we're the most important people in his life. The most important people in his life are his parents, his pastor, if he has one, and his coaches, and his teachers. They are going to be there and they're going to do it. It's \$150 more a student is what we're talking about, here. That's going to change education in this County? It's not. But we take that \$7 million that is accruing from capital. Then we add to it the asset that we're going to get in August from Ladd. Let's monetize it for the School Board. Its assessed value is \$6 million; the land value is \$2 million. Probably, if we had the appraisal done, it would be somewhere in between. But, let's say it is \$3.5 million. If we put that \$3.5 million with the \$7 million, we can add \$1,500,000 every year for 7 years, steady funding; you'll have the increase without a tax increase. Wouldn't that be better than just saying, 'I need more taxes'? People are out there hurting, just like you. We're all in this together. If we can't find the way; it's \$100 million budget that you have this year. That, still, is a fair amount of money! \$1.5 million is 1.5%. There is money to be found, not in teachers' salaries, but in spending that comes from Central Office. Over the next weeks, I'm going to be presenting it, or once a month, or whatever the Staunton Leader allows me, to say, 'Here's where we can save some money'. Every time I presented it to people from the School system, they say, 'Yeah, you're right'. 30 million copies a year; 15 copies per student, per day! We spent \$700,000 a year on copies and copiers. We talk about bringing industry in here. We had Shamrock. We had a big hullabaloo; we had the Governor here; we had a banner; we'll get \$200,000. It takes three of them to just pay for the copiers that we have gotten. You know you need a lot of copies, but we are way over spending on the leases. There is money that could be taken out. If you want \$1.5 million, we can do it if we just resolve to do it. I said something like this to the Chairman and to the Chairman of the School Board; Chairman said, 'Well, wait until we hear from them'. He hasn't gotten back to me since. That's not a priority. It's not a priority for the Chairman of the School Board. They have one desire to raise taxes. We could do better than that. Some of the e-mails have been fairly nasty. They say, 'You're doing this for your re-election'. Goodness, gracious! What do I care? I like to do this job, but if they don't want me, the people can send me packing. I'll be fine. I just do it because I'm interested in it. I want to help. I want to see that this County progresses. But we have to look at everything. We're all taking kudos for all the business we've got brought in here. Guess what! Business went up when our tax rate went down. Those guys do math! They say, 'Uh! You know, this is better than that one! We were selected over Staunton!' What's their tax rate; 68. We were chosen over Rockingham. What's their tax rate; 64. It's a whole lot of things to put into it. Let us provide the \$1.5 million without a tax increase this year and then let's see what happens next year.

Mr. Pattie made the following comments:

I, too, am disappointed. It is always good to have some people to listen to you and converse with you. I've read every petition. How many people in here signed the petition that you guys have been sending to us? (A few hands rose.) There are 300 some petition signatures. I've read every single comment and not once did I see a comment say, 'Please build more school buildings.' Never saw that. They said fund our teachers, make sure that we retain and attract our best teachers. Make sure we're focusing on our students. That's what I think we should be doing. That's what I've been focusing on for over a year, now, is focusing on instruction--the \$3 million we funded last year that was intended to go toward instruction and to our students. And that's what I want to do in the future. Nick Collins provided a PowerPoint presentation to the School Board and on his very first slide, he compared teachers' salary to other jurisdictions. It showed that the teachers salaries in Augusta County were relatively lower than the other salaries of other localities. That's true. I haven't double-checked it, but I assumed he wouldn't put false numbers in there. The other part of the truth is that, since 2007, there is not a lot of areas around here that have been giving raises. That slide is probably true today, but it was also true in 2007. Over that time period, we haven't focused on instruction since 2007. It has been, essentially, the same salary. We've been lowest since 2007 or lowest now. The simple fact is we haven't focused on instruction for years. But what have we been focusing on? We've been focusing on construction. We reduced the instruction budget by millions of dollars since 2007. How many teachers in this audience have had a raise in four or five years? At the same time you have not received a raise, we've increased capital spending on new buildings by \$1.3 million. If the priority is our students and our teachers, like the petition said, \$1.3 million would have made a big difference to instruction over the last four or five years. I think, at the beginning of recession, in the School Board reserved Budget, they had almost \$6 million

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

as a reserve. That \$6 million would have done great things for instruction, but it was spent on construction. Essentially, the School Board, then, is pretty much the same makeup today. I said I want to support instruction. I said I want to focus on that. I did last year. I voted for additional \$3 million; so, what am I going to do this year? I agree with Mr. Pyles. I mentioned it a few weeks ago about monetizing Ladd. If we monetized Ladd; if we use the \$1.5 million already in savings, that's a minimum of \$6 million. What I'm proposing tonight is we take that \$6 million and we spread it over the next three years and we add \$2 million in instruction versus construction. That's a \$2 million influx in cash for teachers, for Fine Arts, for bus drivers' health insurance to bridge this. We only need to bridge for one year until we figure out what the health care law is going to do for us later. It is not everything that everyone wants; but it's fair and it is reasonable and it is using money that was already paid for the School system; money that has already been saved for the School system. It's easier for the schools. It is just using it in different ways than we imagined in the good times of 2006. Our priorities have to change. Let's focus on those teachers. I have two kids; I have a six-month-old and a twenty-one-month-old. My kids are going to go to these schools. We chose Augusta County, one, because of my long roots in Augusta County; but, two, because we do think the teachers are excellent. I have inter-acted with many teachers. I talked to Nicki a dozen times in the last year. I think she is probably a great teacher. Let's support our teachers. Let's put our money where our mouth is. If we say we want to support our teachers, let's use school funds, school assets to fund our teachers.

Mr. Wills made the following comment:

I have a little different perspective from two previous speakers. Sixteen years ago, I was in the same position they were. I switched from the Board of Supervisors to the School Board because I wanted to see what was going on. I thought there was money there to be had. I thought there was money that was being misspent. Why in the world are we spending this much money for education? It is hard to sit on the outside and look at any system and tell them how to run it. That's why we have a School Board; that's why we have an elected School Board. If we want to run the schools, go get elected at the School Board. I want to use an analogy from sports; two analogies matter of fact that you will be familiar with. One, with the New York Yankees and George Steinbrenner, all the time that he messed with the Yankees and tried to buy players, and tried to tell his managers how to run the business, he never did develop a championship team. His sons took over, turned it over to people who know how to run baseball and they have had several World Championships. Washington Redskins—Dan Snyder bought the team and took it from its heights to its pits. He finally a couple years ago realized he had to turn it over to a General Manager and get out of the operations and he has developed a winner. We can't sit here, as a Board, and not know the inter-workings. I appreciate Mr. Long's comments in reference to our Board because, in the past, I have heard him criticize the budget of the County, and, yet, he sat in; he realized what we go through. Maybe, we need to sit in a School Board work session and realize what they go through when they look at a budget. We cannot try to manage the School system from without. Our job is to provide them funding where we think it is necessary. The reason that I support a 5¢ tax increase this year is because Mr. Pyles, himself, and other members have said that when this reassessment gets straightened out, we need to go back to 58¢. I don't want to do 20% in one year! And I don't think our reassessment is 20% off to start with so we do it in stages. I supported the 3¢ increase last year and was hoping to get 3¢ this year and then be able to do the final 4¢ next year when we did the reassessment because I do think we need to get back to 58¢. We stayed at 58¢ for over 30 years and the reason we were able to do that is when we had reassessments, when property values went up, that the extra influx of money that came in as a result of the increase in property values, was divided between the School system and the County and was able to go into salaries or other things as a major influx at one time and then you worked through a four-year system, and at the end of four years, you had this next major influx, but you were able to do it with natural growth. We haven't had anything but growth money, now, for nearly nine years. The County can't live on natural growth money for nine years and still provide the services that the County needs to provide. We've got needs in Fire and Rescue; we have got needs in Public Safety. When I ran for re-election, one of the commitments that I made was that I would support what I considered the major governmental needs: Education, Fire and Safety, and that I would look at other opportunities within the government to reduce funding, and I have done that. We need, at this point, to start moving to the point that we can move this County forward. We

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

cannot afford to stand still. When you stand still, you go backwards. No business can exist on the same amount of income as it did ten years ago; and neither can this County and still provide the services that are demanded. We did raise taxes last year. Like I said, even Mr. Pyles has admitted that we need to go back to that 58¢ at some point. It's how we get there. And it's when we get there. I don't think we should put off the total thing for another year. I think we need to do it in steps.

Mr. Beyeler made the following comment:

These are becoming public hearings on the budget every time we meet and we haven't had the public hearing, yet. Our public hearing on the budget is next week and I hope people come out and speak their minds on what they think we ought to do. There is a lot of rhetoric that goes on in this Board and I'm going to make one comment and then I'm going to quit. To be in this business, you need to have a sense of humor and you will always laugh the rest of your life. That applies to all 7 members.

Mr. Shull made the following comment:

With the federal government, the state government, passing everything down to us, it is going to be a continual thing. We'll be back here next year doing the same thing and the year after that. It's going to be a continual thing because we're the low man on the totem pole and they know where to push it. I used to think that we needed the education taken away from federal government and back to the state, but with the bills that were passed this year, it is the unfunded mandates that concerns our schools. I think it needs to come back to the local. I think we can do a better job than either one of the levels above us. I think we would have better educated students if we had control of it. But, where we get there, we're not going to get there sitting on our butts in here. It's going to take everybody to get on our congressmen, our state officials, because we live in a rural area; Richmond doesn't listen to us. Our legislators listened to us here, just like this transportation bill went through. We're not going to get anything out of it. Northern Virginia and Eastern Virginia is going to get it all. Same way with education; we're not going to get anything; they're going to get it all. Look what they did with the lottery. That was supposed to be funding above what they were already funded, but what did they do? They cut their funding that they sent here and incorporated it into that. So they continue to cut us all the time. So we're going to be at this place next year, the year after, and the year after that. It's going to be a continual thing. How do we get to the point that we fund here? That's where we have to look. We have to be very efficient in what we do and it's give and take. \$1.4, \$1.5 million that's there in capital there; maybe we need to use a little bit of that right now. If there is any major catastrophes at any of the buildings in this school system, they're going to come back to us, anyway. We'll have to fund whatever is needed at that time, but I think it's give and take on both sides here. I talked to a former Superintendent and he said it ought to be some give and take with both Boards. It should not be one Board issuing all the money out. We have to continue to look at this and we'll discuss more this week and we'll have a decision next week.

Mr. Karaffa made the following comment:

I agree very much with what Mr. Shull says when it comes to the Federal and State level and I don't see one Federal person standing in our classrooms teaching our children, but they sure do have a hand in the decisions in how we fund it and how they're taught. The same goes for the State level. I happen to agree with most of the people here, tonight, that the most influential persons in a child's life is 1, their parents; 2, their religious representative; and then our teachers. It is because there is so much time that teachers spend with them. I was against advertising the tax increase.

Mr. Karaffa asked Mr. Fitzgerald to pull up a document, titled, "School Board Budgets Compiled" and made the following comments:

This shows the 2004-2005 budget and 2013-2014 proposed. This shows the totals that were used to run the schools. I cut the capital out of it. Just as much money that the schools said it was taking to teach the kids. Under that, you see "Local Contribution," I went back to 2007 and stopped. Under that, ADM basically means how many kids do we have? How many are we teaching? What you will see is that in 2006-2007 year, we have had falling enrollment in our public schools. You can watch it go from 10,798 students down to 10,250 students. Under that, you will see the Operating per Pupil for a year, and

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

you will see how much money we're spending per pupil in that timeframe just in operating. We are not counting the debt on the capital. You will see, if you go back to the 2005-2006; 2004-2005; you go back for most of those years, you see that there is lower funding per student than what we're talking about now. They have more students and less money per student and the folks are feeling like budgets are being slashed, services are being cut, and we're no longer being able to support our kids. How is that possible? We have decreasing students; we have decreasing enrollments; and this is just the bare bones numbers and we're at \$9,014.34 per student. My question is simply what's going on? Is inflation playing a part of it? Maybe. Is it a bigger piece of the pie that we have falling enrollment? Yeah. If you look at the local contribution in dollars, from 2007 going through, you see, except for the 2009-2010 increases. Across the board increases. We're paying, now, more local contributions, \$34,808,000 than we were in 2007 and 2008 right before the great recession. It's something that I look at, and I say, ' We tasked our Administrator at the County level to produce a budget that allows us to live within our means'. My family is on a budget. We live within our means. This is my question to the Schools. I'm not on the School Board. Mr. Wills is exactly right. I'm not on the School Board. It's not my job to look at the fine print for the School Board budgets. That's the School Board's responsibility. Our only request is that they live within their means. I am disappointed that, living within their means, did not include the insurance premium for bus drivers and for cafeteria workers. Here is what I have to say.

That I see as a legitimate expense of \$2.5 million they have requested; in \$1.4 million in capital, they need a one-time infusion of cash before Obamacare takes them over. Why do we need to raise revenue through tax rates year after year for a one-time expense? Augusta County had a balanced budget. We identified \$248,000 in additional revenue is going to be needed to fill some needs that we saw. My way of thinking is that is less than 1/3 or 1¢ on the real estate property tax rate. We should be able to go within our budget or in our savings accounts, and find that money and not burden the taxpayers of the tax increase. I don't understand a 5¢ tax increase; I don't support the 5¢ tax increase. This is food for thought.

Mr. Beyeler added the following comment:

Look at the number of students and the number of local contributions. We're better than \$3,000 per student. If you are a household with one student, and you're paying less than \$3,000 in tax, you are not paying your way. If you have two students, and you're not paying \$6,000, you're not paying your way. Somebody else has helped pick up the additional tax that's being paid. If you had a kid and you put through 12 years of school, that's \$360,000 worth of tax. Most people don't pay that. What bothers me, sometimes, is I paid twice as much as some members on this Board and they are opposed to it and I know when I vote for something, I'm going to pay twice what they pay.

Mr. Karaffa added the following comment:

With all due respect, this coming Monday, we all have to file our Federal taxes. That's when they're due. Now, you're right. I pay money on my federal taxes and on my state taxes and those goes towards the education of my children as well. Let's take it as a whole. That's why I have the total operating cost because that includes the State and Federal dollars.

Chairman Moore made the following comment:

The ADM is considerably less than where it has been and I think that's why the instruction dollars in the School Board Budget is less. I think there are 100 and some FTEs less because they have less students. To argue that there has been less for instruction, I don't know if that's correct. The thing on capital, and Mr. Pyles, the reason I wasn't in support of your plan of planning is right now they have 21 schools. When we close Ladd, there will be 20 schools and the pod schools are a real concern for me. They are 35 to 40 years old. One of them has already caught on fire. I like the School Board's plan for closing Verona. I think we can better utilize the seats that we have in the western part of the County with schools that have already been renovated – North River, Churchville, Clymore, and we don't have to spend the \$15 million, or whatever, it would be to renovate Verona. I think we can still provide a good education. We can mothball it and see. That would give us some future expansion if the population does increase. That doesn't take care of Riverheads. Mr. Pyles, that's why I can't support it, because

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

that school has to be renovated. We have to do something at Riverheads where we need to close it because you can't keep using a school that is just like it has already caught on fire.

Mr. Pyles added the following comment:

Mr. Chairman, I wasn't asking you, as a Board member, what your opinion was. It was something I wanted you to take to the Board in your role as Chairman to see if there could be support. It could be pros and cons about it. That has been my concern that this Board has not had any discussions on these things. If people have different ideas, it will be well to discuss them, rather than 'I got 4 votes; we don't need that'.

Chairman Moore added the following comment:

Mr. Pyles, I think what I said to you, in my response to your e-mail, was that 'Let's see what the School Board said'. If the School Board is not in support of it, there is no need to bring it to this Board.

Mr. Pyles added the following comment:

You said, 'Wait until what they bring to us,' and they didn't bring us anything and it is still up to us to discuss options. I would hope that we would have done that. I understand. You got your votes.

Mr. Beyeler clarified that the Budget public hearing is next Wednesday night. The budget cannot be adopted that same night. The budget adoption meeting is scheduled for May 1.

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MATTERS TO BE PRESENTED BY THE BOARD (cont'd)

Mr. Wills:

1. VALLEY COMMUNITY SERVICES BOARD - APPOINTMENT

Mr. Wills moved, seconded by Mr. Beyeler, that the Board accept the resignation of Melissa Meyerhoeffer and appoint George W. Cox to serve on the Valley Community Services Board for a three-year term, effective July 1, 2013, to expire June 30, 2016.

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

Nays: None

Motion carried.

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2. Agriculture Industry Board (AIB) – meeting

Mr. Wills reported that the AIB has asked Community Development staff to come before it next quarterly meeting to the Comp Plan and the oversights they are looking at and how it pertains to agriculture.

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MATTERS TO BE PRESENTED BY STAFF

Staff discussed the following issues:

1. Ladd Appraisal in 2009 and Waynesboro City appraisal is available to the Board; a cost to update will be \$900. Chairman Moore suggested that this be e-mailed to the Board members.
2. Route 636 – Revenue Sharing – VDOT staff has submitted its recommendation for approval to Commonwealth Transportation Board, which meets on Thursday, April 18th.
3. Health Care – met with consultants (SAW Consortium) – PowerPoint presentation distributed to Board.

April 10, 2013, at 7:00 p.m.

MATTERS TO BE PRESENTED BY STAFF (cont'd)

- 4. Ordinance Amendment – Processing fee for Regional Jail – Public Hearing will occur in the near future. Information distributed to Board.
- 5. Partnering Session – Friday, April 12th in South Board room.
- 6. Budget Agenda, April 17th, with handouts, distributed to Board.

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CENTRAL SHENANDOAH PLANNING DISTRICT COMMISSION - APPOINTMENT

Mr. Beyeler moved, seconded by Mr. Pyles, that the Board accept the resignation of Kimberly Hull and appoint Becky Earhart to serve on the Central Shenandoah Planning District Commission for an unexpired three-year term, effective immediately, to expire June 30, 2014.

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

Nays: None

Motion carried.

ADJOURNMENT

There being no other business to come before the Board, Mr. Karaffa moved, seconded by Mr. Wills, the Board adjourned 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

County Administrator