
Budget Hearing, Wednesday, April 15, 2015, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Michael L. Shull, Chairman
Carolyn S. Bragg
Jeffrey A. Moore
Marshall W. Pattie
Tracy C. Pyles, Jr.
Larry J. Wills
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

ABSENT: David A. Karaffa, Vice-Chairman

VIRGINIA: At a budget hearing meeting of the Augusta County Board of Supervisors held on Wednesday, April 15, 2015, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 239th year of the Commonwealth....

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Chairman Shull welcomed those present for the public hearings and explained the procedure in addressing the Board by filling out the sign-up sheets. Written remarks would be accepted.

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Michael L. Shull, Chairman, led us with the Pledge of Allegiance.

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Larry J. Wills, Supervisor for the Middle River District, delivered invocation.

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PUBLIC HEARINGS – Director of Finance Presentation

Jennifer M. Whetzel, Director of Finance, announced that there would be two public hearings. They can be held as one public hearing once opened. One hearing is on the proposed tax rate and the second hearing is on the revised budget for 2014-2015 and the proposed budget for 2015-2016. Ms. Whetzel gave a PowerPoint presentation with the following highlights:

The Code of Virginia (§ 15.2) does the following:

- Sets the fiscal year for localities (July 1 through June 30)
- Sets deadline for presentation of budget to Board of Supervisors by April 1 (Work session March 30th)
- Sets public hearing notice requirements (seven days before the public hearing)
- Sets minimum period before budget approval (public hearing has to be at least seven days before budget approval). It can be approved at the next Board meeting on April 22nd, or if the Board desires a Special Meeting on April 29th or May 6th.
- Sets deadline for State agencies to provide information to localities after General Assembly session (within 15 days)
- The County is required to approve a budget by July 1

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

Budget process is a cooperative effort:

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

The budget is a working document that is affected by many components. Departments/Schools/Regional entities draft a budget, Finance and Co. Admin compile a balanced budget within current revenue streams, the BOS reviews and decides what to advertise. At the public hearing, the public input is shared with the BOS and taken into consideration before approving the budget and setting a tax rate. The budget is tentatively set to be approved Wednesday, April 22, 29 or May 6.

Budget Advertisement Summary:

Recommended budget	\$180,557,980
Work session revisions	66,000
County capital	898,350
School funding	<u>898,350</u>
Total Advertised budget	\$182,420,680

Worksession revisions are for general government and public safety and will be offset by a change in landfill revenues, if so approved, and changes in the tax rate. Part would go to County capital includes funding for depreciation accounts and part to the School Board, which would be allocated based on their discretion.

School Funding:

School Funding increase:	
Formula funding-growth	\$ (64,712)
Formula funding-advertised rate	898,350
Capital funding (3 years)	<u>1,000,000</u>
Total School funding	\$ 1,833,638
(included in advertised budget total)	

Ms. Whetzel noted that Total School Funding as advertised is \$39.4 million for FY16 included formula funding based on growth calculation and advertised tax changes that would factor into the annual growth formula. School funding also includes \$1 million per year for three years advance for school capital needs. This will initially be funded from County CIP fund balances, with restoration upon sale of County surplus property.

The advertised proposed tax rates for 2015 are:

	Rate per \$100 <u>2014</u>	Adv <u>2015</u>	<u>Incr*</u>
Real Estate	\$0.56	\$0.58	\$.02
Personal Property:			
Vehicles	\$2.50	\$2.50	
Other (1)	\$1.90	\$2.00	\$.10
Other (2)	\$1.90	\$2.50	\$.60

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

- (1) Business, large trucks and trailers, machinery & tools
- (2) Campers, boats, boat trailers, horse trailers, airplanes and trailers.

The first hearing will be on the proposed tax rates. The advertised budget includes the tax rate changes as shown: RE 56¢ to 58¢, PP \$2.50 (no change), Other PP to include business, large trucks and trailers, machinery & tools \$1.90 to \$2.00, and Other personal property to include campers, boats, boat trailers, horse trailers, airplanes and trailers at \$1.90 to \$2.50. These rates show an increase of 2¢ for RE and 10¢ for Other PP to include business, large trucks and trailers, machinery & tools, and 60¢ for Other personal property to include campers, boats, boat trailers, horse trailers, airplanes and trailers. The advertised rate is the highest rate increase that can be passed by the Board for tax year 2015. It was noted that tax rates are for a calendar year.

Total revenue:	\$210,516,616
Property Taxes	\$ 54,890,075
Local Revenue	\$ 35,512,296
State Revenue	\$ 68,419,657
Federal Rev.	\$ 10,026,225
Other (1)	\$ 41,668,363

- (1) Primarily bond proceeds

Total revenue for all funds. Total local revenue includes Local at \$90 million, State second at \$68 million, federal third \$10 million. Other revenues is primarily for bond proceeds on the construction and/or renovation of three elementary schools.

Expenditures:	\$182,420,680
General Govt	\$ 4,148,635
Judicial	\$ 1,932,550
Public Safety	\$ 19,960,825
Public Works	\$ 3,676,635
Health & Welfare	\$ 16,464,893
Recreation	\$ 2,841,497
Community Dev.	\$ 1,695,085
Contributions	\$ 1,256,958
Education	\$106,931,348
School Capital Improv.	\$ 10,290,321
Debt Service	\$ 8,003,296
Capital Improvements	\$ 5,218,637

Total expenditures. As noted in the budget handout, education funds, including debt and excluding capital projects, make up approximately 63% of expenditures, followed by public safety at 11% and health and welfare at 9%. Difference between total revenue and total expense is attributed to receipt of bond proceeds for School capital projects that will be spent over a number of years.

Areas of Need:

- ▶ Capital Projects, including Narrowbanding, Mill Place water tank (fire flow), Courthouse
- ▶ Debt service coverage for Landfill post closure costs, MRRJ, SVJDH
- ▶ Depreciation accounts

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

- ▶ Other project accounts including Utilities, Stormwater, Economic Development, Flood Control Dams and VDOT Revenue Sharing
- ▶ Meet audit fund balance requirements

Some projects are related to State or Federal mandates (narrowbanding, landfill closure, dams, stormwater). Others are necessary to maintain County assets at an acceptable level to serve the citizens (depreciation, dams, utilities, revenue sharing).

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PROPOSED TAX RATES and PROPOSED BUDGET FOR 2015-2016

This being the day and time to receive public input on the real and personal tax rate for 2015 and also to receive public input on the revised budget for Fiscal Year 2014-2015 and the proposed budget for Fiscal Year 2015-2016.

	<u>Current:</u>	<u>Proposed:</u>
Real Estate	\$0.56	\$0.58
Personal Property – auto & motorcycle	\$2.50	\$2.50
Personal Property – business, large trucks and trailers, machinery & tools	\$1.90	\$2.00
Personal Property – campers, boats, boat trailers, horse trailers, airplanes, trailers	\$1.90	\$2.50

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

Bob Dickerman, a property owner of a 98.5-acre farm in Buffalo Gap, supported the tax increase to provide a better education and other County services.

Janice Gentry, of the Valley Program for Aging Services, noted that this agency primarily serve people who are over the age of 60. Their mission is to serve/assist older individuals to be actively engaged in the community and to be able to live independently as long as possible. She thanked the Board for its support.

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

Patrick J. Coffield, County Administrator, noted that a memorandum had been distributed to the Board indicating that the Planning Commission considered the Capital Improvement Budget for Fiscal Year 2015-2016 at its meeting last night and had endorsed the CIP as presented.

It was also noted that an e-mail from Martin Lightsey had been circulated to the Board via e-mail in expressing concerns related to the proposed Machinery and Tools increase.

Mr. Wills referred to previous Board discussion on the increase of TPP on Aircraft and noted that the agreement with the Shenandoah Valley Airport allows 25% of the taxes received for airplanes is to go to the Airport as part of the County’s annual contribution. With the change in our TPP-Aircraft rate, we will need to revise our contribution to the Airport accordingly (+/- \$10,000). He added that a meeting was held yesterday with Greg Campbell, Gerald Garber, and Mr. Coffield to discuss this. Mr. Coffield added that the Airport funding formula was negotiated in 2003.

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PROPOSED TAX RATES and PROPOSED BUDGET FOR 2015-2016 (cont'd)

Mr. Wills moved, seconded by Mr. Moore, that the Board place this on the agenda for adoption at the next meeting, April 22nd.

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

Nays: None

Absent: Karaffa

Motion carried.

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END OF PUBLIC HEARINGS
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CLOSED SESSION

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

(1) the legal counsel exemption under Virginia Code § 2.2-3711(A)(7)
[consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel, as permitted under subsection (A) (7)]:

A) Greenville Sewer

(2) 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) Boards and Commissions

On motion of Mr. Wills, seconded by Mr. Moore, the Board came out of Closed Session and adjourned subject to the call of the Chairman.

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

Nays: Pyles

Absent: Karaffa

Motion carried.

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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.

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CLOSED SESSION (cont'd)

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, Wills, Moore, Bragg, Pyles and Shull

 NAY: None

 ABSENT: Karaffa

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

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Chairman

County Administrator