

April 23, 2013

County of Greene, Virginia

THE GREENE COUNTY BOARD OF SUPERVISORS MET ON TUESDAY, APRIL 23, 2013 AT 6:00 P.M. AT WILLIAM MONROE HIGH SCHOOL IN THE PERFORMING ARTS CENTER.

Present were: Jim Frydl, Chairman
 Davis Lamb, Vice Chairman
 David Cox, Member
 Eddie Deane, Member
 Clarence Peyton, Member
 Ray Clarke, County Attorney
 Patti Vogt, Deputy Clerk
 Tracy Morris, Finance Director

RE: EXECUTIVE SESSION

Upon motion by Davis Lamb and unanimous vote, the Board entered into Executive Session to discuss legal and personnel matters pursuant to Section 2.2-3711 Subsection (a, 1-7) of the Code of Virginia.

• Personnel - Administration

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	Yes

Motion carried.

Upon motion by Clarence Peyton and unanimous vote, the Board returned to Open Session.

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	Yes

Motion carried.

By unanimous vote, all members certified that only public business matters lawfully exempted from the Open Meeting requirement and only such matters as identified by the motion to enter into Executive Session were discussed.

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	Yes

Motion carried.

RE: PUBLIC MEETING

The Chairman opened the meeting with the Pledge of Allegiance followed by a moment of silence.

RE: PUBLIC HEARING – PROPOSED FY 2013-2014 COUNTY BUDGET AND TAX LEVIES

Mr. Frydl said action on the budget will not be taken until the meeting on May 14, 2013. He opened the floor for public comment.

Mrs. Pat Morris – not against education – reiterated some of the things she has questioned about schools (i.e. special lawnmower, volleyball teacher, fix windows at school, fertilize football field, trip by RES staff). This was our tax dollars. Larry Snow told her: estimated real estate tax is \$12 million, estimated business machine and tools tax is \$350,000, estimated business taxes is \$275,000, estimated personal property tax is \$2 million. Over \$300,000 in new revenue coming to the County and economy has not changed. Still a lot of people without jobs. Once the tax levy is raised, it is hard to get it back down. There are seniors who can hardly make it now. Asked three Board members to change their minds because there is still time before the budget is passed. When funds are gone, the County will have to begin borrowing money again. Say no to level funding for schools and no to higher taxes.

Hattie Shifflett – Born and raised in Greene County. Hard enough for her and husband to make it now. Tax increase? What happens when they can't pay their taxes? Have other essentials to pay for. Look out for seniors instead of schools so much. Believe in education but most do not know how hard it is to live on fixed income each month. People with money do not have to worry about living from month to month.

Doug Clay – President of Stanardsville Volunteer Fire Department - Very good working relationship with Board of Supervisors over past several years. Not here to ask or demand more money but wanted to thank Board for support. Everyone has wants. SVFD not requesting increase this year and does not anticipate asking for increase next year with five year plan. Achieve “wants” by fundraising every couple weeks which pays for wants and helps pay for needs. Doing our best to raise as much money as we can to help supplement our income to help provide the County service that is needed.

Don Pamerter – Thanks to Board for job done. Raising taxes is always difficult. One area of taxes that is important to County is business taxes. Growth in economic development is a particularly important for County. When compared last year's budget to this year, the largest drop in funding was in area of economic development. Doesn't understand how that makes sense when all Board members have indicated they support economic development.

Jim Ware – lives in Twin Lakes - Faced with special assessment on top of real estate taxes. Does the County do zero based budgeting? Believes in quality education but quality education implies he didn't get quality education so how can he earn enough money to pay

higher taxes? Need lower levy than what is being proposed. Residential tax is very regressive tax. New businesses will be deterred from coming to this county.

Gail Daniel – Approaching retirement age and fixed income. As teacher in Greene County, has been living on fixed income for quite a while. Took 30 years to make \$50,000 in Greene and she will not be making more. School Board has not asked for more and is trying to survive on what already has. Hope Board will consider the dire straits the school system is in. Not asking for “fluff” or misappropriating funds. Understands increase in tax levy is to keep revenue level.

Richard Herring – Dyke Volunteer Fire Department - Speaking as taxpayer, he pays substantial amount of taxes. Concerned about money coming from reserve fund. DVFD appreciates what Board has done to support. Trying to raise and be good stewards of money. Noted any call gets response from at least two fire companies. Anything to do with home, all three fire companies respond.

Kiki Flaig – Applauds Board for foresight to increase tax levy a little bit now rather than larger amount later. Majority will not see tax increase. We must invest in our community if we expect to maintain quality of life that will attract business. Amenities community has to offer are looked at by individuals and businesses when deciding to locate here.

Andrea Whitmarsh – Assistant Superintendent and soon-to-be Superintendent of Schools. Understands importance of controlling costs in difficult economic times. Appreciates support of level funding for schools. Since budget was submitted, received health insurance renewal with \$150,000 reduction. As Superintendent, will recommend the School Board critically examine cuts they have made to school budget to determine how best to use those restored funds. In new role, look forward to increasing communication and working together for future of whole community.

Michelle Flynn - Chairman of School Board - Thanks for supporting level funding for schools. Thanks to all members who took time to meet with school personnel one-on-one to discuss budget. Hope you all will continue to challenge and question when you hear the phrase “our tax dollars at work”. Repeatedly has to listen to comments about how tax dollars are spent in our schools. Schools also do private fund raising that has nothing to do with tax dollars. Sad to hear conversations that pit seniors against students. We are one community, one county. We are in this together. Encouraged Board to stick with level funding for schools and urged them to continue having open dialogue with central office staff. Come to them if have questions. Thanks for tremendous service you provide.

Pauline Hovey – Thanks to Board of Supervisors for work they do and dialogue with School Board. As taxpayer, very aware of effect of decrease in property values. In favor of increase in tax levy. Asked Board to also consider future needs of County. Not only education but fire/rescue, library, parks and rec, etc. Facing major issues like water and other infrastructure. Completely supports education and thanks for level funding.

Heather Hopson – Thanks for all you do and hard decisions. Supports increase in levy and also level funding for schools.

The public hearing was closed.

Mr. Lamb read excerpt from Joint Legislative Audit and Review Commission (JLARC) which is oversight agency the General Assembly established to evaluate operations and performance of state agencies.

Total funding for public education has outpaced enrollment growth significantly using the time period of FY 2002 to 2011 as used by recent JLARC review. During this time period, the public education direct aid appropriations grew by 41% and an unadjusted ADM enrollment grew by 6% which resulted in funding 6.8 times the rate of enrollment growth. The Commonwealth of Virginia created the School Efficiency Review utilizing educational dollars to the fullest extent possible.

Suggested this review be considered for Greene County School District. Last year drew down reserve fund by \$1.2 million for schools and \$2 million for other capital projects. To approve level funding for schools in FY 13-14, will have to draw down \$1.6 million from the reserve plus an additional \$1,999,348 for capital projects. If this trend continues, the County's reserve fund will be depleted in a year or less. Also, the County will be purchasing four new buses for the School system at a cost of \$458,000.

Mr. Lamb said he is not in favor of raising tax levy for following reasons: Citizens receiving Social Security are on fixed income. For 2013, the cost of living allowance is expected to be 1.4%. Some seniors will see no net increase while others will get far less than 1.4%. Medicare Part B premiums will most likely increase by 9.2% resulting in less income. Low income citizens are already struggling with higher costs, reduced wages and are not able to afford any more increased spending.

Mr. Peyton spoke on the decrease in assessments. Reduced last year's total assessed value of real property by 6.99%. The lowered rate necessary to offset that decrease would be \$.70 per \$100 which is an increase of one penny. Why does the Board suggest that the rate be increased to \$.72? The actual rate needed to support the requested funding from all agencies and meet payments pending on debt service (i.e. water/sewer debt and commitment to water impoundment) would actually be \$.85 per \$100. Clear indicator of how much we're spending above and beyond new revenue. In order to support overall requests again this year, the Board is advocating drawing down from the reserve fund. This will devalue the financial safety net as well as jeopardize any future capital improvement projects. Why is it necessary to increase tax rate if the spending requests, including level funding for school, is satisfied from funds drawn down from reserve fund? Not going to support tax increase without justification. Agreement is to draw down from reserve fund. No need, in his mind, to "double dip" from citizens of County.

Challenges in school budget are pretty much repetitious. State and Federal funding is less every year and continues to decrease. That increases tax burden and demands on local citizens. School budget mysteries are still a concern because of lack of transparency. Referred to statement by Superintendent that a needs based budget has not been submitted.

Mr. Peyton expressed concern regarding the monetary shift to athletics from academics which was demonstrated with new facility. Do we need to pay more attention to the classroom? Last year, Schools got largest increase in the history of Greene County. This year that is going to be duplicated by drawing down from the reserve fund again. The second most important people in school system behind the children are teachers and they are not going to get a salary increase.

Mr. Peyton felt a closer look at the budgeting process, where the money goes, is needed. If programs are no longer supported by federal and state governments, we need to rid ourselves of those. Need to look at classroom closer when it comes to funding.

Mr. Peyton commented that this is his twelfth year on the Board and he has seen school bus allocations diverted to other things. The ERIP program has been eroded and purpose it was

designed for has been shifted to other things. Asked Schools to look at more cost effective insurance program for five years. Pleased to see this was done and resulted in \$150,000 savings.

Real concern is that the reserve fund is "drying up". Think it is time to give up all practice of bullying and intimidation. Let's look at fact based information that leads to negotiations in the future. Promote teamwork and collaboration with schools. Need to meet periodically during the year to do that. The Boards need to join together and invent realistic plan on how to fund budget over next 3 to 5 years.

Mr. Peyton applauded the appointment of new Superintendent. He feels confident goals and improvements can be accomplished with leadership by Ms. Whitmarsh.

Mr. Deane thanked everyone for attending the meeting. Decision will not be easy. Small tax levy increase will prevent huge increase in near future. History shows that the tax levy can come down and he believes it will come down if time is right. Some people will pay less. Mr. Deane said he is not in favor of raising taxes unless it is necessary.

Mr. Deane said he appreciates effort of School Board in meeting with Board of Supervisors. Need more transparency on both sides. Thinks more line item information should be received from School Board. Goochland County, for example, receives detailed work book from schools. The solution is to work together. He doesn't want anyone to lose job. There are smart ways to cut and commonsense goals.

There have been comments by some taxpayers who would like to pay more taxes. Fluvanna County is considering option where individuals could make tax donations with a section on tax bills for people to overpay on purpose. Greene could consider the same option.

Mr. Deane recalled threats last year that the Vo Tech School would close, transportation would be affected, sports program cease. No outcry this year, when cutting \$708,000, about these programs.

Mr. Deane said he is excited about new Superintendent and wished Dr. Jeck the best.

Mr. Cox appreciated comments by fellow Board members and from the public. He thanked the School Board for being more open. Congratulations to Ms. Whitmarsh.

Mr. Cox said he has lived in Greene County since 1972 and seen tax levies go up and down. Assessments went down this year. County has put a lot of additional services in place over years.

Mr. Cox said he supports \$.72 tax levy. He can see problems down the road with big tax hike if tax levy not increased at this time.

Mr. Frydl said thanks to everyone for coming out and participating. He has full confidence in Finance Director and Department Managers who have reviewed budgets during the process. Analysis of budget is being done.

Mr. Frydl said the Board did not take an additional \$2 million from reserve last year. Funds from reserve were used to meeting funding gap for schools. Newest audit showed, through efficiency in spending and staff effort, the County was able to underspend budget by \$979,000.

In regards to comment that Dr. Jeck said the schools did not present a needs based budget, Mr. Frydl said that meant there are many more needs than the Schools is presenting in their request. Also, citizens requested and received, as he did, a detailed line item budget from schools.

As far as eliminating programs that are no longer fund by State and Federal governments, Mr. Frydl felt we would all like to do that but are not given that option. Programs are required

even if the County does not receive funding. State is going to continue to require counties, especially schools, to repay the unfunded VRS obligation. State did not make payments and also took money from VRS in past years.

Mr. Frydl said it is not pleasant to raise tax levy. The other choice is to stick your head in the sand. None of the responsibilities, like water/sewer debt, go away. We are facing difficult funding issues. The school system has not asked for an increase in funding. Cuts were made by the elimination of positions. That is the School Board's decision.

Major change in budget is \$2 million to cover sewer plant which is vital and important to future of this community. The County is responsible and has to pay for the next 10 or so years. Water impoundment is also an essential project.

The focus is usually on schools because it is largest part of budget but there are changes in other departments. One example would be the jail system. We are going to have to pay to expand the jail. No one complains about that. Mr. Frydl said he would bet we have more people in this County who use school system than use the jail. There are other items in the budget and all those combine to make total budget.

Mr. Frydl said he supports \$.72 tax levy. There is no other choice in his mind. Some small consolation in fact that the average homeowner will pay the same taxes or little less but there are some who will pay more.

Mr. Lamb commented that the Board spent \$2 million for capital projects. Mr. Frydl said \$2 million was set aside but never allocated last year. It was set aside to spend this year.

Mr. Deane said edu (equivalent dwelling unit) fees were supposed to cover cost of infrastructure but with the economic downturn, the County must pay debt service. If the economy picks up, edu fees will pick up and should cover costs.

Mr. Frydl said the Board will take action on the proposed budget at their meeting on May 14, 2013.

RE: TAX LEVIES

Upon motion by David Cox and affirmative vote, the Board approved the following tax levies:

Levies on \$100 assessed valuation:

Real Estate	\$0.72
Public Service Corp.	\$0.72
Personal Property	\$5.00
Except Farm Machinery & Livestock	\$0.00
Industrial Machinery & Tools	\$2.50

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	No
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	No

Motion carried.

RE: RESOLUTION – PPTRA

Mr. Frydl reviewed changes in the resolution.

Upon motion by Clarence Peyton and unanimous vote, the Board approved the resolution as presented. (See Attachment “A”)

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	Yes

Motion carried.

RE: SECOND READING OF REQUEST FOR ADDITIONAL ALLOCATION FOR 911 TELEPHONE SYSTEM

Telephone system is obsolete. Mr. Frydl noted additional savings reduces the amount to \$123,803.89.

Upon motion by David Cox and unanimous vote, the Board approved the additional allocation of \$123,803.89 for replacement/upgrade of 911 telephone system.

Recorded vote:	Jim Frydl	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Clarence Peyton	-	Yes

Motion carried.

RE: AUTHORIZATION TO APPLY FOR GRANT FUNDS

Ms. Missy McDaniel, Emergency Services Manager, briefly reviewed the request for authorization to apply for FY 2013-14 School Resource Officer Incentive Program through the Department of Criminal Justice Services. Deadline is May 1. SRO would be positioned at RES. Local match, composite index of local ability to pay, is required. The cost would be totally funded by the County beginning with year 5. Requires sustainability plan with County picking up total cost at end of grant period.

Upon motion by Clarence Peyton and affirmative vote, the Board authorized the Sheriff’s Office to apply for grant funds for SRO.

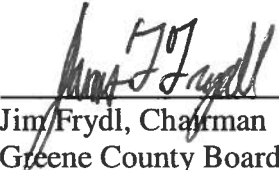
Recorded vote:	Jim Frydl	-	No
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	No
	Clarence Peyton	-	Yes

Motion carried.

Board of Supervisors
April 23, 2013
Sheet 8

RE: ADJOURN MEETING

The meeting was adjourned at 9:02 p.m.



Jim Frydl, Chairman
Greene County Board of Supervisors

RESOLUTION

WHEREAS, the Personal Property Tax Relief Act of 1998, VA Code Section 58.1-3523 et. seq. ("PPTRA"), has been substantially modified by the enactment of Chapter 1 of the Acts of Assembly, 2004 Special Session I (Senate Bill 5005), and the provisions of Item 503 of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, hereinafter cited as the "2005 Appropriations Act"); and

WHEREAS, these legislative enactments require the County to take affirmative steps to implement these changes, and to provide for the computation and allocation of relief provided pursuant to the PPTRA as revised; and

WHEREAS, these legislative enactments provide for the appropriation to the County, of a fixed sum to be used exclusively for the provision of tax relief to owners of qualifying personal use vehicles that are subject to the personal property tax on such vehicles.

NOW THEREFORE BE IT RESOLVED by the Greene County Board of Supervisors that:

qualifying vehicles obtaining situs within the County during tax year 2013, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;
- Personal use vehicles valued at \$1,001 to \$20,000 will be eligible for 52% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 52% tax relief on the first \$20,000 of value; and
- All other vehicles which do not meet the definition of "qualifying" (business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.
- In accordance with Item 503.D.1, the entitlement to personal property tax relief for qualifying vehicles for tax year 2005 and all prior tax years shall expire on September 1, 2006. Supplemental assessments for tax years 2005 and prior that are made on or after September 1, 2006 shall be deemed "non-qualifying" for purposes of state tax relief and the local share due from the taxpayer shall represent 100% of the tax assessable.

Adopted in Open Meeting this 23th day of April, 2013.

A COPY TESTE:



Patti Vogt, Deputy Clerk
Greene County Board of Supervisors