

PRESENT: Benjamin T. Pitts, Battlefield District
Jerry I. Logan, Courtland District
Henry "Hap" Connors, Jr., Chancellor District
Gary Jackson, Salem District
Emmitt B. Marshall, Berkeley District
Gary F. Skinner, Lee Hill District
Thomas C. Waddy, Jr., Livingston District

STAFF PRESENT: C. Douglas Barnes, Interim County Administrator
Ernest L. Pennington, Deputy County Administrator
Jacob P. Stroman, IV, County Attorney
Aimee R. Mann, Deputy Clerk

Mr. Connors called the meeting to order at 6:00 p.m.

BUDGET WORK SESSION

Adoption of FY2009 Tax Rates, FY2010 Budgets, and Level of Personal Property Tax Relief

The Central Rappahannock Regional Library sent a letter to Mr. Barnes dated April 15, 2009 regarding a memo the Library of Virginia recently sent to the libraries about the requirement that localities maintain local funding levels in order for their libraries to receive state aid. Staff recommended funding the \$150,000 requested by the libraries

On a motion by Mr. Skinner, seconded by Mr. Logan and passed 6 to 1 with Mr. Jackson opposed, the Board approved staff's recommendation to fund the \$150,000 requested by the libraries.

Pursuant to State Code §15.2-2503, the governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins. Pursuant to State Code §22.1-93, the governing body of a county shall prepare and approve an annual budget for educational purposes by May first or within thirty days of the receipt by the county of the estimates of state funds, whichever shall later occur.

In addition, the 2005 Appropriations Act of the General Assembly requires the Board to set the level of personal property tax relief. At the Board's request, staff prepared Resolutions for approval of four different scenarios. Each scenario assumed a revision to the advertised personal property rate, as noted below and assumed all other taxes at the advertised rates:

1. \$6.28 personal property tax rate, with the School transfer reduced by the entire shortfall in revenues of \$496,241
2. \$6.27 personal property tax rate, with the School transfer reduced by the entire shortfall in revenues of \$595,489

3. \$6.27 personal property tax rate, with the School transfer reduced by 100% of the 5 cent reduction, and 67% of 1 cent reduction in revenues of \$540,572

4. \$6.27 personal property tax rate, with the School transfer reduced by 67% of the 6 cent reduction of \$265,985

Adjustment to the Library budget, updated personal property statistics, personal property tax scenarios requested at last meeting, appropriations - related to hold back, shown as a high level and low level based on what needs to be maintained.

Mr. Connors questioned the net savings of the School Board's retirement opportunity program. Mr. Seaux explained the program and said that it was not designed to move money from future to current positions. He said the savings would be captured moving forwards not backwards. Mr. Connors said he didn't disagree with the program, just the timing. He said he wanted to be sure that teachers were treated well; nobody lost their job and class sizes did not increase. Mr. Seaux said that Division wide standards would be adhered. Mr. Skinner clarified that the resolution presented if adopted guaranteed all people holding jobs this year would have jobs next year. Mr. Seaux said that was contingent upon the personal property tax rate. Mr. Waddy asked if the positions of the individuals who retired would be replaced. Dr. Seals said those positions would be replaced at a lower cost. Mr. Waddy asked why the Board of Supervisors did not hear about the plan until half way through the budget process. Mr. Seaux said once the plan was legally reviewed it was shared. Mr. Waddy said this was poor timing noting the County was at rock bottom. Mr. Seaux said this program would allow the School Board to protect teachers from a RIF situation using attrition. Mr. Logan referenced the auditor of public accounts report for FY2008 noting the analysis for per capita spending through out the state. He said that Spotsylvania County ranks in the middle of the peer group for total per capita spending. He said if you pull out education then Spotsylvania County was at the bottom of the rank. He also noted that Spotsylvania County ranked at the very top for spending in education but at the bottom for general government spending. Mr. Logan also referenced the triennial census saying 5000 students had been unaccounted for. There were 30,999 school aged in the County and enrollment was 24,000. He said the home school population was about 700 or so and thousands were educated in private schools. He said these parents were paying taxes as well and not benefiting from it. Mr. Seaux said the peer group comparison would only be accurate if the same assessment was used for the group. He said Spotsylvania County was the 11TH largest school district in the State and at the state level per pupil capita was 21% less than the State average. Mr. Logan said the Board of Supervisors had done a good job funding the schools over the years and had done so at a price. He said general government had taken a hit. He talked about the financial trouble of raising tax rates and how it would affect new car sales. Mr. Seaux said education was an investment not an expense. Mr. Jackson asked how many employees had signed up for the retirement opportunity program. Mr. Seaux said 228. Mr. Jackson asked if those 228 positions would be eliminated or replaced with 228 lower cost employees. Dr. Seals stated they would be looking at the organization overall and some positions would be replaced and some would not. Mr. Jackson said a buyout was usually to reduce size. He asked if any other governments were offering buyouts. Dr. Seals stated 88 counties had a program which was long term but these Counties stated that although there was initial cost savings in the long term it cost the County money. She said this short term program would save the County money. Mr. Jackson said he found it unfair to bend over backwards for one group of employees, the school employees. He asked if the taxpayers should have to pay to be able to prevent a RIF. He said

this was a speculative program and it was the game plan to be able hire people at a lower entry level. Dr. Seals said the school division would be reducing 159 positions. Mr. Marshall said he was concerned about hiring teachers at the bottom of the scale. Dr. Seals assured the Board this was not a mass exit of experienced teachers and that they would continue to have experienced teachers in the classroom.

On a motion by Mr. Marshall, seconded by Mr. Waddy and passed unanimously, the Board set the real property tax rate at the current \$.62/\$100 value. Mr. Logan pointed out that by voting for this they were voting for an equalized tax rate next year.

Mr. Waddy made a motion, seconded by Mr. Marshall to set the real property tax rate at \$6.25/\$100 value with all the reductions coming from the School Board. Mr. Skinner made a substitute motion to set the real property tax rate at \$6.27/\$100 value with the School transfer reduced by 67% of the 6 cent reduction of \$265,985. The motion was seconded by Mr. Connors. Mr. Skinner said during the last 2 years the schools had been giving back as needed and whether it was fair or not, the employees in the schools needed to be maintained. He said it was not fair to place the entire burden on education. On a roll call vote the motion failed 2 to 5 with Mr. Logan, Mr. Waddy, Mr. Marshall, Mr. Jackson and Mr. Pitts opposed. The original motion by Mr. Waddy and seconded by Mr. Marshall to set the real property tax rate at \$6.25/\$100 value with all the reductions coming from the School Board failed 2 to 5 with Mr. Logan, Mr. Connors, Mr. Skinner, Mr. Pitts and Mr. Jackson opposed.

On a motion by Mr. Marshall, seconded by Mr. Skinner and passed 4 to 3 with Mr. Jackson, Mr. Waddy and Mr. Logan opposed, the Board set the personal property tax rate at \$6.26/\$100 value with the School Board sharing 67% and the County sharing 33%.

Mr. Logan made a motion to hold the tax rate at \$5.00/\$100 for business furniture and fixtures, the motion was seconded by Mr. Jackson and failed 3 to 4 with Mr. Pitts, Mr. Connors, Mr. Skinner and Mr. Waddy opposed. On a motion by Mr. Skinner, seconded by Mr. Connors and passed 4 to 2 with Mr. Waddy, Mr. Logan and Mr. Jackson opposed, the Board set the business furniture and fixtures tax rate at the current \$5.95/\$100.

On a motion by Mr. Jackson, seconded by Mr. Skinner and passed unanimously, the Board set the mobile homes (\$.62/\$100), machinery and tools (\$2.50/\$100), heavy duty equipment (\$2.00/\$100), Massaponax Special Service District (\$.35/\$100) and Harrison Crossing Special Service District (.35/\$100) tax rates at the indicated rates as recommended by staff.

CLOSED MEETING

On a motion by Mr. Jackson, seconded by Mr. Skinner and passed unanimously, the Board adopted a resolution to adjourn into closed meeting as follows:

VOTE:

Ayes: 7 Mr. Connors, Mr. Jackson, Mr. Logan, Mr. Marshall,
Mr. Pitts, Mr. Skinner, and Mr. Waddy.
Nays: 0
Absent: 0
Abstain: 0

RESOLUTION NO. 2009-56

To Adjourn into Closed Meeting

WHEREAS, the Spotsylvania County Board of Supervisors desires to adjourn into Closed Meeting regarding discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the County would be adversely affected; specifically, consideration of an unsolicited Public-Private Education Facilities and Infrastructure Act of 2002 for consideration of the construction of facilities which would be leased to the County for office space; and

WHEREAS, the Spotsylvania County Board of Supervisors desires to adjourn into Closed Meeting for consultation with legal counsel regarding actual litigation where such consultation in open meeting would adversely affect the litigation or negotiating posture of the County, and consultation regarding specific legal matters requiring the provision of legal advice by such counsel, specifically, legal issues related to an alternate financing mechanism for transportation improvements proffered by the Spotsylvania Mall Company; and

WHEREAS, pursuant to Va. Code Ann. §2.2-3711(A)(6) and (7), such discussions may occur in Closed Meeting.

NOW, THEREFORE, BE IT RESOLVED that the Spotsylvania County Board of Supervisors does hereby authorize discussion of the aforesated matters.

RETURN TO OPEN MEETING AND CERTIFICATION

On a motion by Mr. Skinner, seconded by Mr. Jackson and passed unanimously by roll call vote, the Board returned to open meeting and adopted the following resolution:

VOTE:

Ayes: 7 Mr. Connors, Mr. Jackson, Mr. Logan, Mr. Marshall,
Mr. Pitts, Mr. Skinner, and Mr. Waddy.
Nays: 0
Absent: 0
Abstain: 0

RESOLUTION NO. 2009-57

Return to Open Meeting

WHEREAS, the Spotsylvania County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 (D) of the Code of Virginia requires a certification by this Board of Supervisors that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Spotsylvania County Board of Supervisors hereby returns to open session and certifies, by roll call vote, that to the best of each member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Freedom of Information Act and identified in the motion to go into Closed Meeting were heard, discussed or considered in the Closed Meeting.

On a motion by Mr. Jackson, seconded by Mr. Logan and passed unanimously, the Board authorized staff to conduct discussions with offerors pursuant to the unsolicited PPEA proposals as discussed in closed meeting.

On a motion by Mr. Logan, seconded by Mr. Pitts and passed unanimously, the Board authorized the County Attorney to convey a final proposal from the Board to the Spotsylvania Mall Company as discussed in closed meeting.

Mr. Connors asked if the budget could be passed without appropriations. Mr. Barnes said it could be postponed noting that the schools were anxious to know.

On a motion by Mr. Connors, seconded by Mr. Pitts and passed 5 to 2 with Mr. Jackson and Mr. Logan opposed, the Board approved the following resolution:

VOTE:

Ayes:	5	Mr. Connors, Mr. Marshall, Mr. Pitts Mr. Skinner, and Mr. Waddy
Nays:	2	Mr. Jackson and Mr. Logan
Absent:	0	
Abstain:	0	

RESOLUTION NO. 2009-58

A RESOLUTION TO ADOPT THE FISCAL YEAR (FY) 2010 BUDGET AND
THE TAX RATES FOR CALENDAR YEAR 2009

WHEREAS, it is the responsibility of the Spotsylvania County Board of Supervisors to approve and control the County's fiscal plan for FY 2010; and

WHEREAS, the Board of Supervisors has received and reviewed the Interim County Administrator's Recommended Budget for FY 2010; and

WHEREAS, it is the responsibility of the Spotsylvania County Board of Supervisors to set the tax rates for Calendar Year 2009; and

WHEREAS, the Board of Supervisors has received comments on the recommended tax rates and the recommended budget from citizens of Spotsylvania County at a duly advertised public hearing; and

WHEREAS, it is the intent of the Board of Supervisors that departments and agencies shall adhere to the budgeted funds in accordance with departmental budgets presented by the Interim County Administrator and amended by the Board of Supervisors; and

RESOLVED by the Spotsylvania County Board of Supervisors this 21st day of April 2009, That the following tax rates for Calendar Year 2009 be, and are hereby, approved, as set forth below; and, be it

RESOLVED FURTHER, That local tax supported expenditures of the School Division's overall budget of \$269,762,758 shall not exceed \$113,830,339 of local funds and, be it

RESOLVED FURTHER, That the following budgets be, and are hereby, approved effective July 1, 2009, as set forth below; and, be it

RESOLVED FURTHER, That all financial activities, purchases, travel, personnel actions, etc., shall be in accordance with the policies and procedures established by the Board of Supervisors and administered by the Interim County Administrator.

CALENDAR YEAR 2009 COUNTY TAX RATES

Real Estate.....	\$0.62 per \$100 of assessed valuation
Personal Property.....	\$6.26 per \$100 of assessed valuation, assessed at 50% of fair market value
Business Furniture & Fixtures.....	\$5.95 per \$100 of assessed valuation, assessed at no greater than 50% of fair market value
Mobile Homes.....	\$0.62 per \$100 of assessed valuation
Machinery and Tools.....	\$2.50 per \$100 of assessed valuation
Heavy Duty Equipment.....	\$2.00 per \$100 of assessed valuation

Massaponax Special Service District
Special Tax.....\$0.35 per \$100 of assessed valuation

Harrison Crossing Special Service District
Special Tax.....\$0.35 per \$100 of assessed valuation

FISCAL YEAR 2010 COUNTY BUDGETS

1. Total County Budget for Fiscal Year 2010 in the amount of \$385,896,304 to include the following funds:

a. General Operating Fund	\$96,506,618
b. Capital Projects Fund	7,430,096
c. Economic Development Opportunities Fund	317,794
d. Code Compliance Fund	3,168,516
e. Transportation Fund	6,603,454
f. Joint Fleet Maintenance Fund	2,107,068
g. School Operating Fund	259,842,837
h. School Food Service Fund	9,676,642
i. School Capital Projects Fund	243,279

2. Utilities Operating Budget for Fiscal Year 2010 in the total amount of \$27,232,001

RESOLVED FURTHER, that the Interim County Administrator is authorized to take all necessary actions to give this resolution effect.

On a motion by Mr. Logan, seconded by Mr. Skinner and passed 6 to 1 with Mr. Waddy opposed, the Board approved the following resolution:

VOTE:

Ayes:	6	Mr. Connors, Mr. Jackson, Mr. Logan, Mr. Marshall, Mr. Pitts, and Mr. Skinner
Nays:	1	Mr. Waddy
Absent:	0	
Abstain:	0	

RESOLUTION NO. 2009-59

A RESOLUTION PURSUANT TO SECTION 21-38 OF THE CODE OF SPOTSYLVANIA COUNTY, VIRGINIA TO SET THE PERCENTAGE OF PERSONAL PROPERTY TAX RELIEF AT THE LEVEL NECESSARY TO EXHAUST PERSONAL PROPERTY TAX RELIEF ACT FUNDS FOR 2009

WHEREAS, on December 13, 2005, and for tax years beginning in 2006, the Board adopted as Section 21-38 of the Code of Spotsylvania County, Virginia, the provisions of Item 503.E of Chapter 951 of the 2005 Appropriations Act of the General Assembly providing for computation of personal property tax relief as a specific dollar amount to be offset against the total taxes that would otherwise be due for personal property, and the reporting of such specific dollar relief amount on the tax bill; and

WHEREAS, the Board is required as part of its annual budget process, to adopt a resolution setting the percentage of tax relief at the level that is anticipated to exhaust Personal Property Tax Relief Act (PPTRA) funds provided to the County by the Commonwealth of Virginia for each tax year, and

WHEREAS, the ordinance requires that personal property tax bills set forth on their face the specific dollar amount of relief credited with respect to each qualifying vehicle, together with an explanation of the manner in which relief is allocated.

WHEREFORE, be it resolved by the Board of Supervisors of Spotsylvania County, Virginia, that pursuant to Section 21-38 of the Code of the County of Spotsylvania, that the percentage of tax relief that is anticipated to exhaust PPTRA relief funds provided to the County by the Commonwealth shall be set for tax year 2009 as follows:

1. For personal use vehicles valued at \$1,000.00 or less, the percentage of relief shall be set at one hundred percent (100%)
2. For vehicles valued at more than \$1,000.00, the percentage of relief shall be set at fifty-one percent (51%) for up to and including the first \$20,000.00 of value; and

BE IT FURTHER RESOLVED, that the Treasurer shall insure that 2009 personal property tax bills set forth on their face the specific dollar amount of relief credited with respect to each qualifying vehicle, together with an explanation of the manner in which relief is allocated.

ADJOURNMENT

On a motion by Mr. Logan, seconded by Mr. Pitts and passed unanimously, the Board adjourned its meeting at 8:32 p.m.

C. Douglas Barnes
Interim County Administrator