

CLARKE COUNTY BOARD OF SUPERVISORS
March 15, 2012 Budget Work Session 5:30 p.m.
Meeting Room AB

At a budget work session of the Board of Supervisors of Clarke County, Virginia, held in the Main Meeting Room, 2nd Floor Berryville Clarke County Joint Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia on Thursday, March 15, 2012.

Board Members Present

Barbara Byrd; J. Michael Hobert; Beverly McKay; John Staelin; David Weiss

Board Members Absent

None

Staff Present

David Ash; Tom Judge; Lora B. Walburn

Others Present

George Archibald; Val Van Meter; Ed Leonard

1) Call to Order

Chairman Hobert called the meeting to order at 5:34 p.m.

By consensus, the Board added a closed session to discuss personnel matters specific to the Director of Planning position.

Supervisor Byrd joined the meeting at 5:39 pm.

2) Budget Discussion

Tom Judge provided the following update:

- General Assembly adjourned without agreeing to a budget.

- General Assembly introduced pension reform.
 - o Requires all employees of all groups [school, government] to pay 5% as a member contribution.
 - o Requires the Board of Supervisors and School Board provide a 5% salary increase to offset the loss to employees.
 - o Bill passed General Assembly but has not been approved by the Governor.
 - o Speculating that the Governor will produce an amendment allowing localities to phase in over 5 years.
 - o Developed calculations using the proposed change to determine the financial impact on employees, as well as the County.

Supervisor Staelin contributed the following points:

- From County standpoint, the 5% would be “a wash;” however the issue is that if the employee is paid more the employee and the employer would be paying more in taxes.
- There are other unknowns such as the potential increase in the employer life insurance contribution.
- The plan also proposes changing how the base of the pension is calculated.
- This is an example of the Commonwealth foisting cost on to employees and localities.

Supervisor McKay commented that this was quite a shell game with the employees getting a raise but taking home less pay; the locality paying out more; and the Commonwealth getting more tax dollars.

Supervisor Byrd put forth that the Commonwealth was balancing its budget on the backs of the localities.

Chairman Hobert put forth that the Commonwealth was balancing the budget at the expense of the tax payer.

Tom Judge reviewed the most recent budget adjustments:

- Increased General Fund Revenue Mobile Home, Machinery & Tools and Real Estate.
- Reduced school operating by \$150,000.
- Removed from Schools and General Government Capital Projects ERP.
- Added \$650,000 for ERP back into General Fund Balance.
- Decrease deficit by \$107,154.
- Finance Committee considered two tax increase options:
 - o 1.5 [.015] cent tax increase leaving \$-554,309.

- 2 [.02] cent tax increase leaving \$-446,985.

Supervisor Staelin put forth the following points for consideration:

- 4% reduction in personal property tax.
- General Government staff reductions.
- Increased VRS costs.
- Increased HVAC costs for the Schools.
- Creative thinking by the Schools and General Government is needed to identify further reductions.

Supervisor Byrd commented that the Town of Berryville and the City of Winchester would be raising taxes in the coming fiscal year.

David Weiss stated that Warren and Frederick Counties were not raising taxes.

Supervisor Byrd inquired as to the number of General Government staff reductions since 2008.

David Ash responded that eight [8] positions had been eliminated; three [3] positions to be eliminated in FY2013 including the position of County Assessor.

Tom Judge contributed that, excluding temporaries, there were approximately 65 full-time General Government employees.

David Ash further advised that the only currently vacant funded position was the Director of Planning.

Vice Chairman Weiss asked how the County would cover the \$446,985 deficit remaining after a two [.02] cent tax increase.

Chairman Hobert responded that the deficit would be covered by general fund balance.

Supervisor Staelin provided the following:

- Generally underspend budget. Typically Schools and General Government have carry over funds used for supplemental appropriations.
- Could reduce capital spending for Schools and General Government budgets.
- Discussion continues regarding the proposed solar facility with a potential for a half million dollar payment upon completion.
- If it should be determined that it is necessary to go out for a proposal on the ERP, the County could pursue a supplemental appropriation from fund balance.

Supervisor Byrd asked for confirmation that preparation of the Convenience Center site was not included in the budget.

Supervisor Staelin confirmed that it was not included in the budget but that the option would allow the county to lease the property for up to forty (40) years.

There followed discussion on a variety of ways to address the VRS pension reform increase. Some highlights of that discussion include:

- By consensus, if required to do this year, would prefer to give the raise as a straight 7% increase. If allowed to phase in, 1% increase per year.
- Will not know what is decided until the veto session that begins April 18.
- FY2013 budget and tax rate public hearings are scheduled for April 11 before the General Assembly is done.
- Conduct public hearing using a larger figure allowing time to act on a lower number depending on the General Assembly vote.
- \$67,000 projected for the proposed 5% VRS change was added to FY2013 contingency as a place marker. Tom Judge will add the requisite portions to Schools and Social Services budgets.

Vice Chairman Weiss stated that he had the same reservations as before about raising taxes, as well as pay raises for employees when constituents were not receiving raises.

Supervisor Byrd suggested asking for show of hands at the public hearing from persons in the public sector that had received raises.

Supervisor Staelin suggested capping salary increase at \$70,000 and asking the Schools to do the same.

David Weiss commented that employees earning higher salaries work hard too; and if a raise is given, it should be given equally. He once again expressed his reservation about giving raises opining that it sent the wrong message. He reminded that general expenditures had been put off for years.

3) Closed Session

Supervisor Byrd moved to convene into Closed Session pursuit to:

- **§2.2-3711-A4 Privacy of individuals in personal matters – recessed from Monday, March 5, 2012 Special Meeting; and**

The motion carried as follows:

Barbara J. Byrd - Aye
J. Michael Hobert - Aye
Beverly B. McKay - Aye
John R. Staelin - Aye
David S. Weiss - Aye

The members of the Board of Supervisors being assembled within the designated meeting place, with open doors and in the presence of members of the public and/or the media desiring to attend, **Supervisor Byrd moved to reconvene in open session. The motion carried as follows:**

Barbara J. Byrd - Aye
J. Michael Hobert - Aye
Beverly B. McKay - Aye
John R. Staelin - Aye
David S. Weiss - Aye

Supervisor Byrd to execute the following Certification of Closed Session:

CERTIFICATION OF CLOSED SESSION

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

WHEREAS, Section 2.2-3700 of the Code of Virginia requires a certification by the Board of Supervisors of the County of Clarke, Virginia that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE BE IT RESOLVED, that the Board of Supervisors of the County of Clarke, Virginia, hereby certifies that, to the best of each members knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which the certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Supervisors of the County of Clarke, Virginia.

The motion was approved by the following roll-call vote:

Barbara J. Byrd - Aye
J. Michael Hobert - Aye
Beverly B. McKay - Aye
John R. Staelin - Aye
David S. Weiss - Aye

4) Adjournment

There being no further business to be brought before the Board at 7:05 pm Chairman Hobert adjourned the meeting.

Next Meeting Date

The next regular meeting of the Board of Supervisors is set for Tuesday, March 20, 2012 at 1:00 p.m. in the Main Meeting Room, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

ATTEST: March 15, 2012

J. Michael Hobert, Chair

David L. Ash, County Administrator

Minutes Recorded and Transcribed by:
Lora B. Walburn
Deputy Clerk, Board of Supervisors