

CLARKE COUNTY BOARD OF SUPERVISORS  
April 18, 2012 Budget Work Session 6:30 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, 2<sup>nd</sup> Floor Berryville Clarke County Joint Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia on Wednesday, April 18, 2012.

**Board Members Present**

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

**Board Members Absent**

None

**Staff Present**

David Ash; Annette Gilley; Tom Judge; Lora B. Walburn

Sheriff Tony Roper; Barbara Bosserman; Sharon Keeler; Donna Peake

**Others Present**

Michael Murphy; Rick Catlett; Lisa Floyd; George Archibald; Jeanne Abigail Custis Marcy; Val Van Meter; Ed Leonard

**Call to Order**

Chairman Hobert called the meeting to order at 6:33 p.m.

**Budget Discussion**

Chairman Hobert announced that today the State Senate had approved the biennial budget.

Tom Judge led the discussion focusing on changes to the FY2013 budget. Highlights of the discussion include:

- General Fund Revenue: Reduce real estate tax increase from 2 cents to 1 cent.
- General Fund Revenue: Public service corporation taxes (\$6,223) reflects 1 cent (previously missed)
- General Government Capital Projects: Eliminate reassessment (\$190,000)
- School Operations: Commonwealth revenue increase offsets local transfer (\$116,140)
- Change to deficit net of pay-as-you-go(\$97,714)
- General Fund Balance used (\$708,779)
- Planned expenditures for Conservation Easement [\$150,000] and Sheriff's Department [\$50,000]
- Other Decisions:
  - Do not phase-in VRS 5/5 salary increase.
  - Pay full actuarial rate for government group in 2013.
  - Legal counsel confirms that there is no underlying statutory requirement that budget and tax rate must be adopted together.
  - Postpone adoption of the FY2013 budget until April 30.
- Other Changes to be made April 30:
  - Compensation Board and Registrar funding changes
  - Spread benefit changes from VRS 5/5 to departments
  - Set actual Commonwealth Revenue for School Operations
  - Social Services funding changes
- Other points:
  - It is believed that Frederick County reduced 29 positions. Warren, Frederick and Shenandoah Counties have not approved pay increases for FY2013.
  - An increase in state income tax would have lessened the burden on localities.

Chairman Staelin put forth that procedurally taxes are related to the budget; and if the Board chose to postpone adopting the FY2013 budget, the Commissioner of the Revenue and the Treasurer needed direction from the Supervisors on the tax rate so that they could move forward to meet established deadlines. He called for vote of confidence from his fellows on the proposed expenditures to ensure that the tax rate matched.

Chairman Hobert called for comment.

Supervisor Staelin:

- Supports the proposed budget.

- Supports the proposed pay increase.
- Does not wish to see the proposed tax increase go below one cent.
- Current budget reflects that Clarke is about average for state local funding of school budget.
- County has shown tremendous support for education with the construction of the new high school and the pending renovations.
- County has paid millions of dollars over the years in debt services for the new high school.
- Additional state funding to the schools shall be offset from local budget.
- Over the past four budget years, School budgets were approved as proposed. This year, the Schools' budget request was cut \$150,000 reducing the requested 10% increase to 9%. Now, with the reduction from local budget in the same amount of the additional state funding, the request is still an 8% increase.
- Commissioner of the Revenue and the Treasurer lost positions in their respective offices for FY2013.
- The Sheriff's Department was not fully funded.
- Over the past several years, real estate taxes were raised to cover school debt service; and last year, there was no real estate tax increase.

Supervisor McKay:

- Agreed with Supervisor Staelin's comments regarding school budget. He provided an example: "if schools ask for a \$2 million increase over last year's budget and are given a \$1.5 million increase, it cannot be called a budget cut."
- The record reflects his objections to raising taxes in this economy; but with the state mandating VRS contributions, not to raise taxes would be irresponsible.
- VRS should be fully funded now for to do less would be to make the same mistakes that have caused shortfalls on the federal and state level.
- Will support the proposed budget.

Vice Chairman Weiss:

- His objections to aspects of the proposed budget are on record and he still holds to those objections.
- The deficit is higher than he would like it. There is budget spending that he would do differently. But overall, it is a reasonable budget.
- It is important for the Board to work together and to move forward together.

- Will support the budget as proposed with reservations.

Supervisor Byrd:

- What has happened in Richmond is irresponsible.
- County is lucky to have a fund balance to draw from and it should not be depleted.
- Tax payers expect the Board of Supervisors to be good money managers.
- Can accept the one-cent tax increase.
- While it is not ideal, the budget is the best it can be this year.

Chairman Hobert:

- Agrees with the comments made by Board members and also believes it is good to work together.
- Compromise is important.

By consensus, the Board approved the FY2013 budget in concept and pledged to support the budget ,as long as it is substantially similar, at the April 30 Budget Work Session.

**Supervisor Staelin moved to approve the Tax Rate Resolution:**

**TAX RATE RESOLUTION  
2012-05R**

**BE IT RESOLVED**, by the Board of Supervisors of the County of Clarke, Virginia in meeting assembled this 18th day of April, 2012, a public hearing having been held on Aprill1, 2012, as required by statute, that the tax rates for calendar year 2012, to support the budget for Clarke County for the fiscal year July 1, 2012 through June 30, 2013, be and hereby are fixed at:

**ALL TAX RATES ARE BASED ON EACH \$100  
OF ASSESSED VALUATION**

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	<b>2012</b>
1. Real Estate, including the real estate of public service corporations**	\$ 0.630
2. Tangible personal property except machinery and tools and qualified Fire and Rescue Vehicles	\$ 4.496
3. Tangible Machinery and tools	\$ 1.250
4. Tangible personal property of qualified Fire & Rescue Vehicles	\$ 2.248

\*\* Mobile Homes will be assessed as personal property, but taxed at the same rate as real estate.

Adopted this 18<sup>th</sup> day of April 2012

Attest: \_\_\_\_\_

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David L. Ash, County Administrator

**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 Staelin moved to endorse and refer to Tom Judge to amend the FY2013 budget based on State funding with final review and adoption of the budget resolution and appropriations at 6:30pm on Monday, April 30, 2012. 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

**Recess**

There being no further business to be brought before the Board at 7:00 pm Chairman Hobert recessed the meeting until Monday, April 30, 2012 at 6:30 pm.

**Next Meeting Date**

The next regular meeting of the Board of Supervisors is set for Tuesday, May 15, 2012 at 1:00 p.m. in the Main Meeting Room, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

ATTEST: April 18, 2012

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J. Michael Hobert, Chair

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David L. Ash, County Administrator

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