

CLARKE COUNTY BOARD OF SUPERVISORS
April 10, 2013 Public Hearing 7:30 p.m.
Main Meeting Room

At a public hearing 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 Wednesday, April 10, 2013.

Board Members Present

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

Board Members Absent

None

Staff Present

David Ash; Lisa Cooke; Tom Judge; Brandon Stidham; Lora Walburn

Others Present

Sharon Keeler; Donna Peake

Janet Alger; Barbara Lee; Beth Leffel; Chip Schutte; Mike Murphy; Rick and Susan Catlett; Lisa Floyd; Diane Lasky; Robina Rich Bouffault; Mary Jane Hobert; Val Van Meter

Call to Order

Chairman Hobert called the meeting to order at 7:33 p.m.

Adoption of Agenda

By consensus, the Board of Supervisors adopted the agenda as presented.

FY2014 Budget

Chairman Hobert stated that this was a public hearing to seek comments on the proposed FY2014 budget.

Tom Judge, Director Joint Administrative Services, provided highlights of the proposed FY2013 Budget overview:

- Treasurer's Office: \$4,792 increase from the Commonwealth for the first salary increase for this Constitutional Office in past five years.
- Information Technology: \$8,311 increase for fiber optic connection to the schools.
- Clerk of the Circuit Court: \$144,662 increase results from the transfer of payroll processing to Joint Administrative Services and the offset is reflected under Commonwealth Revenue.
- Sheriff's Grants: (\$53,746) decrease in grant funding.
- Shenandoah Farms Volunteer Fire: (\$51,200) decrease. Working out details for fire service to that section of county and \$20,000 has been set aside under Volunteer Fire Companies.
- Regional Jail: \$124,938 increase to cover staffing costs for the larger jail necessitated due to increased jail population.
- Parks & Recreation: decreased funding for Administration (\$3,713); Recreation Center (\$8,482); Swimming Pool (\$2,220); Concession Stand (\$2,400); Parks Programs (\$4,792)
- Josephine School Community Museum: \$7,290 in FY2013 was one-time funding.
- Social Services: (\$69,262) Commonwealth ceased funding of the day-care program.
- School Operations: \$95,212 increase covers cost of health insurance premium increase.
- Comprehensive Services Act: (\$99,500) decrease estimated from forecasted figures from the Commonwealth.
- Conservation Easement: (\$150,000) decrease. Remaining balance in this fund should be sufficient to meet requests in FY2014.
- General Capital Improvements \$208,690 increase and School Capital Improvements \$223,963 increase for ERP purchase and implementation.
- School Debt Service: (\$146,260) decrease; paying off several school debt issues.
- Current Real Estate Taxes: (\$272,983) decrease; results from a flaw in the FY2013 adopted budget computation that was identified and corrected.
- Current Personal Property Taxes: \$316,371 increase; positive economic activity.
- Court Fines and Forfeitures: \$79,725 increase; more revenue from increased activity.

- School Operations Local Revenue: \$92,425 increase relates primarily to new programs STEM and Health Sciences program.
- General Capital Projects: (\$117,024) decrease; project came out.
- Welfare: (\$63,014) decrease relates to day care program defunding.
- School Operations: (\$78,888) decrease in Commonwealth revenue.
- Comprehensive Services Act: (\$44,543) decrease shows reduction in Commonwealth share.
- Federal Revenue
 - o Multi Agency Federal Task Force (\$50,000) decrease
 - o V-Stop Grant: (\$16,502) decrease; believe funding has been approved and currently waiting to see if full funding is restored.
 - o School Capital Projects: (\$52,510) decrease; error in FY2013 computation.
 - o School Debt Service: (\$11,341) decrease; consequence of the sequester.
- Total Expenditure: \$37,998,056; \$183,169 increase over FY2013 adopted budget.
- Total Revenue: \$37,350,088; \$230,437 increase over FY2013 adopted budget.
- Pay-As-You-Go: \$647,968 from Fund Balance

Following the budget summary by Tom Judge, Chairman Hobert thanked Tom Judge and his staff at Joint Administrative Services for their efforts. He then called for any questions, clarifications, and/or document definitions from the audience. There being no technical questions, at 7:50 pm, Chairman Hobert opened the public comment portion of the public hearing.

Janet Alger, Russell District School Board Member: spoke on behalf of the School Board. She stated that she would not be going over financial details for they had been reviewed extensively. She commented that the level of cooperation between the Supervisors and the School Board during budget preparation had been awesome. Mrs. Alger put forth that it was her desire to put a face on the students and staff for the present and the future. She stated that the Supervisors had given incredible financial support to the students in the past and the Supervisors need to continue this support for educational needs that are present in an ever changing world.

Mrs. Alger stated that Clarke County had much to be proud of with its long tradition of producing quality students, who go on to career and college pathways and become productive citizens. She stated that the budget issues before both Boards have been incredibly difficult over the last several years and there were extremely difficult choices before these Boards. She continued that the School Board saw the need to increase compensation to employees, as well as providing new programming for the students' future. She opined that at the heart of any organization is the people, those that go that extra mile; and the Schools need to keep these employees to help provide quality

education for students. She said that many of the neighboring school districts were considering increased employee compensation. She opined that a school system was an investment in the community and all need to own that these are our children provide the best education we are able.

Robina Rich Bouffault, Boyce resident: read the following prepared statement:

Clarke County FY14 Budget Hearing- April 10th, 2013.

Good Evening - My name is Robina Rich Bouffault from Boyce.

I would like to address here tonight some budget considerations relating to our school division, and their insistent requests for more money.

First, some quick statistics:

*In 2007, our school division, at its highest population point, had a March ADM number of **2,200 students**. This year, they've just reported an ADM number of only **2,040**. This is not only 2 fewer students than last year, it is also a 7.3% **decline** over the last six years. This on-going decline also reflects the state-wide decline in most of our school divisions - probably due to the well-documented aging of our population.*

*However, in spite of this on-going decline in student numbers, this current FY13 year the school division actually hired 3 more employees - and would like to hire 9 more for next year. Yet, our pupil to teacher ratios are already among the lowest in the state, if not **THE** lowest. And that's not counting all of the Instructional Assistants in the classrooms.*

*The schools' operating budget from last year to this (FY12 to FY13), went up by almost \$1.5 million - that is an **8% increase** in one year, an increase that came mainly from county taxpayers. It included a 2% increase in school salaries, plus an additional 5% that the county had to pick up in more school retirement benefits costs, after yet another state unfunded mandate. But the school administration in their budget discussions this year barely even mentioned that fact, while demanding even more salary and other increases.*

And now, the schools say they want more for next year or the kids will suffer. The threats are the usual ones, trotted out year after year by the school administrators – cutting programs, or textbooks, or middle-school sports. Anything but cutting the excessive number of employees, which is the crux of the problem. It's obvious that you cannot continue to hire more employees while your student population continues to decline, without at one point hitting a financial brick wall.

This morning, I e-mailed you a financial graph which showed the uncertain state of our struggling economy, which unfortunately continues more on a downwards rather than an upwards trend.

***I would ask you, our Supervisors**, not to forget that you are responsible for the well-being of 100% of our county's population, not only the 15% of the school population. Over the last few years, I have watched the various county entities, the Sheriff's office, Social Services, etc. have their budgets be cut, and cut yet again- the schools, with their increases, being the sole exception to that rule. This cannot continue. I know that, time after time, you've had to make difficult choices and unfortunately, this year will be no different. You have the difficult task of balancing everyone's needs with scant funds. Those funds need to be equitably distributed.*

I would ask our school administration to stop using the same old excuses to try and blame any failures in performance on a lack of money, when in fact, in spite of declining student populations, over the years there have been large increases in school funding, without any perceptible improvement in student performance. I would strongly recommend that our top school administrators spend a little less time on vacation this summer, and find themselves a good, solid, summer course which teaches efficient Financial Management. It would do our school division a world of good, and bring them in line with the reality of the times.

Thank you for your attention.

Jenn Coleman, 5th grade teacher; stated that as a teacher she would appreciate any bit of funding that the Supervisors could give to the schools. She said teachers are doing this for the kids, for future generations, and so that the Supervisors don't need to spend as much money in the fire companies and the jails because, hopefully, children won't be setting fires or going to jail. She opined that teachers were educating the future of our community so the least the Supervisors could do was consider the money the Schools asked for.

Amy Lowell, instructional aide at D.G. Cooley Elementary, asked the Supervisors to consider funding a pay increase for school staff. She put forth that aides work very hard for very low wages. She opined that children are the County's future and School funding is an investment in that future.

Being no other persons desiring to speak, Chairman Hobert closed the budget public hearing at 7:59 pm.

Vice Chairman Weiss offered an explanation of the budget process. He stated that he was on the Finance for the first time this year. He opined that there was a misperception that the Board of Supervisor's got requests from general government departments and the Schools and simply said, "We are not raising taxes. Nobody gets any more money, so let's go home." But, that is not how it happened. Vice Chairman Weiss said that there were many meetings including six to eight Finance Committee meetings in the evening, usually two to three hours per meeting, as well as regular Finance Committee meetings that follow Work Sessions lasting one to two hours. He opined that a great deal of effort went into the budget review process with Michael Hobert and he, the two Supervisors comprising the Finance Committee, reviewing, with the exception of the Schools, every government departmental budget down to level of how much was asked for postage.

Vice Chairman Weiss explained the Finance Committee, at the direction of the Board of Supervisors, was requested to develop a budget that would not increase taxes. The Committee went through every possible area to find any savings it could. The Board of Supervisors, for the second year in a row, responsibly went into the fund balance; a fund balance that the Supervisors are not readily able to replenish.

Vice Chairman Weiss stated that it should be understood that general government department heads also wanted salary increases for their employees. He stated that the Supervisors understood these employees perform very necessary tasks for the County;

but, increases were not possible due to a lack of revenue. He noted that the proposed budget reflected decreases for the vast majority of departments and agencies. He stated that the Supervisors did not take these cuts lightly. He opined that the budget reflected the times in which we live. Vice Chairman Weiss put forth that while some County citizens are affluent the majority are moderate income having the same needs as County employees; and the citizen's needs had to be taken into consideration specifically because it is the citizen's money.

Vice Chairman Weiss said that after the Finance Committee reviewed the budget, it came back to the Board of Supervisors which had a fairly vigorous debate on the matter. Amendments were offered and some increases were made that he did not support at the time but now wholly supports because it was a fair budget. He stated this budget asks everyone that partakes of public money to make sacrifices and to take only what is necessary for the sake of our fellow citizens.

Vice Chairman Weiss stated that he understood that there was disagreement about what was considered necessary but he was surprised to read the paper and see that the School Board did not act to reduce its budget. He noted two joint Finance Committee meetings were held between the School Board and Board of Supervisor committees, one for revenue and one for expenditures. He stated there were no secrets regarding the County's financial troubles, the Supervisors' desire not to raise taxes, and its inability to agree to departmental requests; and yet, in light of this, the School Board has yet to take formal action to address with the situation. He believed the job of Dr. Murphy and his staff was to bring the School Board the necessary information to make the decisions. Then, Vice Chairman Weiss suggested the School Board should review the request line by line and make the hard decisions which may make people angry or upset. He stated that if the School Board was not going to do that then it would not successful. Vice Chairman Weiss stated that making the hard decisions was why the School Board members were elected. He stated that the School Board cannot say that it cannot prioritize nor can it refuse to accept the fact that it is not going to get its requested funding level. He opined that to come this far in the process and have the people that work for the Schools and the people that it serves still under the impression that the million dollars requested is available is not fair to the people the School Board serves.

Supervisor Byrd commented that the last column of the FY2014 budget showed funding cuts in brackets on page after page with some agencies funding cut in half. She stated that the fund balance was not some "great pot of gold" to be spread around but was to be used for emergencies and future spending. She noted that fund balance was used to get the County through without asking citizens to pay more money in a very, very difficult time. Supervisor Byrd remarked that the joint Finance Committee meetings were a healthy way to help the County get through tough times now and in the future.

Supervisor Staelin commented that he had great confidence in the County's Constitutional Offices, School Board, employees and teachers. He remarked that the County had gotten through four really bad years and it would get through a few more before the economy turned around. He expressed confidence that the economy would turn around, his

appreciation for the efforts of employees, and his confidence in the citizens of Clarke County.

Chairman Hobert added that the Supervisors believe in government, believe in what the employees are doing, believe in the roles the employees have and the work they perform. He stated that the Supervisors understand and appreciate the hard work of County employees.

CY2013 Tax Rate

Tom Judge provided an overview of the proposed CY2013 Tax Rates advising there was no change from last year.

At pm 8:09, Chairman Hobert opened the public comment portion of the tax rate public hearing. There being no other persons desiring to address the Supervisors, Chairman Hobert closed the public hearing.

Chairman Hobert informed those present that the budget work session to consider action was scheduled for Wednesday, April 17, 2013 at 6:30 pm in accordance with the law requiring that no action be taken for seven days following the public hearing.

Adjournment

There being no further business to be brought before the Board at 8:10 pm Chairman Hobert adjourned the meeting.

Next Meeting Date

The next regular meeting of the Board of Supervisors is set for Tuesday, April 16, 2013 at 1:00 p.m. in the Multi-purpose Room, Recreation Center, 225 Al Smith Circle, Berryville, Virginia.

The next budget work session of the Board of Supervisors is set for Wednesday, April 17, 2013 at 6:30 p.m. in John H. Enders Social Hall, 9 South Buckmarsh Street, Berryville, Virginia.

ATTEST: April 10, 2013

J. Michael Hobert, Chair

David L. Ash, County Administrator

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