

At the recess meeting of the Giles County Board of Supervisors held on Thursday, June 18, 2015, at 6:30 PM in the Giles County General District Courtroom, 120 North Main Street, Pearisburg, the following were present:

Barbara Hobbs	Chair (Central District)
Larry Jay Williams	Vice-Chair (Eastern District)
Scott Dunn	Western District
Richard McCoy	At-Large Supervisor
Paul "Chappy" Baker	At-Large Supervisor
Chris McKlarney	County Administrator
Richard Chidester	County Attorney
Rhonda Tickle	Finance Director
Anna Welch	Board Secretary

CALL TO ORDER/INVOCATION

Ms. Hobbs called the meeting to order. Mr. McKlarney offered the invocation and led the Pledge of Allegiance.

APPROVAL OF MINUTES

***Mr. McCoy motioned to approve the minutes from the June 3, 2015 meeting and Mr. Baker seconded the motion. The motion was approved 5-0 as follows:
Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, Mr. Baker, and Mr. Scott Dunn.***

OLD BUSINESS

VDOT UPDATE

Mr. McKlarney informed the Board that authorization has been received to move forward with the Penvir Bridge project. He stated that there will be a meeting on Monday, June 22nd with VDOT and confirmed that this will be a locally administered project.

A meeting will be held on July 15th for all citizens who live along Whitt Road, Old Stage Road, Alpine Village, Mountain Field Road, and Keffer Lane to sign a document which states they plan to give right away should their area qualify. The meeting will be at 6:00 p.m. at the County Administration Office. Mr. McKlarney stated that he had received several calls regarding Skyview Lane and he has assured the individuals that there is still funding for this project.

A meeting was held with VDOT regarding the Route 730 Speed Study. Mr. McKlarney explained they are going to try and add safety signs in curves first, and if this doesn't work they will look at reducing the speed. Mr. Williams stated we will be receiving safety money for the Route 635 project in the amount of \$100,000 and the remainder of the money will come from the six year plan.

NEW BUSINESS

TAPLEY MAYS MEDAL OF HONOR CEREMONY

Ms. Debra Sifford with the Giles County Historical Society spoke to the Board regarding an upcoming event. Ms. Sifford explained the Historical Society and the Sons of Confederate Veterans is sponsoring a ceremony to honor Mr. Tapley P. Mays. Ms. Sifford gave a brief history of Mr. Mays and explained he was one of only 57 men named to receive a Confederate Medal of Honor. The medal was never awarded because on his death and because he had no living family. The Sons of Confederate Veterans is awarding his medal to the citizens of Giles County during a ceremony on July 11, 2015 at 11:00 am at the Courthouse. Ms. Sifford formally invited the Board to attend the ceremony and asked that they attend this event to accept this award which will be placed in the Giles County Courthouse. Ms. Hobbs stated she hopes the entire Board can attend.

CLOSE OUT MEETING

The Board scheduled a budget close-out meeting for June 25, 2015 at 3:00 PM to be held at the Giles County Administration Office.

PAYMENT OF WARRANTS

Mr. McCoy motioned to approve \$526,962.60 for County Appropriations and Mr. Baker seconded the motion.

Discussion: Mr. Williams has concerns over the phone bill. Ms. Tickle explained this bill covers all phones in the County. Mr. Williams had questions regarding part time help at Castle Rock in the amount of \$4,050 and Ms. Tickle stated she will confirm the details. Mr. Williams asked questions regarding parts ordered from Berglund and Magic City Ford, Ms. Tickle stated the garage normally gets pricing and purchases from the least expensive place. She stated she will confirm that these items should not be covered as warranty items.

The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, Mr. Baker, and Mr. Dunn

SCHOOL BOARD APPROPRIATION

Mr. Baker motioned to approve the School Board Appropriation in the amount of \$2,160,084 and Mr. McCoy seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, Mr. Baker, and Mr. Dunn

SOCIAL SERVICES APPROPRIATION

Mr. McCoy motioned to approve the Social Services Appropriation in the amount of \$250,000.00 and \$300,000.00 CSA and Mr. Baker seconded.

Discussion: Mr. Williams feels these amounts are very high for the start of a new fiscal year.

The motion was approved 4-1 as follows:

Voting Yes: Ms. Hobbs, Mr. McCoy, Mr. Baker, and Mr. Dunn

Voting No: Mr. Williams

PUBLIC HEARING ON PROPOSED BUDGET AND TAX RATE ORDINANCE

Mr. McKlarney explained this hearing is held pursuant to section 15.2-2506 of the Code of Virginia, 1950, as amended, and is for the purpose of allowing the public to question and comment on the proposed budget. The Board will also hold a public hearing on the new Budget Ordinance. All citizens of Giles County are invited to attend and state their views thereon, subject to reasonable time limits as shall be determined by the Board of Supervisors.

Mr. McKlarney asked everyone if they had a copy of the proposed budget (located at the end of these minutes). He explained there is always a struggle in developing a budget to balance the needs with economic realities. He stated the budget process has been slowed by the reassessment process which has resulted in an overall decrease in valuation of 4.5% or the equivalent of \$0.025 in the tax rate.

Mr. McKlarney explained the existing and proposed tax rates as well as the proposed revenues and expenditures. The budget increases for 2015 and 2016 were explained and Mr. McKlarney stated the increase for education for 2016 will be \$436,811. He stated when the state gives a salary increase we have to pick up the benefits. He explained out of the Non- Standard of Quality positions only 60% of these positions are funded by the state and we must pick up the other 40% as well as their benefits which equals a total cost of \$140,833.

A history of operation expenditures as well as a history of revenues was explained. Mr. McKlarney explained where the savings has been applied and stated VRS costs have increased by \$1,200,000 per year over the past 4 years. Mr. McKlarney stated the largest amount of money has been applied to education funding. He explained in 2009 there were 2,529 students and currently there are currently 2,430. In 2009, the school budget amount was \$27,409,806; the County contributed \$6,356,905; the State funded \$16,998,484 and the Federal funds were \$1,824,592. Today the budget is \$26,167,793 with the County contributing \$9,516,559; an increase of \$3.1 million dollars. The State's contribution is \$15,267,360; this is a decrease of \$1,731,124. As well there is a Federal decrease of \$136,864. Mr. McKlarney explained the impacts of increases in costs and gave several examples of how much it costs to do small things.

QUESTIONS AND COMMENTS REGARDING BUDGET

Ms. Hobbs asked if any members of the public would like to comment and/or ask any questions. Mr. Williams asked Mr. McKlarney about the PSA subsidy and asked if this would still be on the revenue side and he explained this is what we plan to do. Ms. Tickle stated that she had issued a check to the County from the PSA for \$60,000 which was a payment due from last year. Mr. McKlarney explained the State had proposed an increase this year through State funding. He stated the way this works is they gave us an increase estimate on sales tax for \$110,000; however, if that revenue does not come through we do not get the money. Mr. McKlarney explained we have never received close to their proposed number. He stated they will pull from one area and propose to give it back in another area.

Mr. Williams stated he has issues with the School Board giving themselves a \$2500 pay increase when we have school teachers who will be taking home less money next year due to health insurance. Ms. Hobbs explained teachers are not taking home less money because they have good health insurance. She also confirmed if the State does not come through, the 2% pay increase will not be available. Ms. Tickle explained the State as of now has a surplus; however, they could come back as late as September and state the funding is no longer available. If that should happen, the raises have already been issued. Mr. Williams restated we should spend more time trying to insure our teachers are not taking home less money. Mr. Dunn stated in order to pay our teachers insurance, the County would have to come up with an additional \$600,000.00 and he does not know where it would come from. He also explained the State and Federal Governments are not helping us at all and until this improves we are put in tight predicaments. Mr. Baker feels the Board is doing the best they can with what they have.

Ms. Hobbs closed the public hearing on the proposed budget and explained the State law requires the Board to wait 7 days before approving or disapproving the budget. The budget close-out meeting will be held on Thursday, June 25, 2015 at 3:00 PM at the Giles County Administration Office.

EXECUTIVE MANSION REQUEST

Ms. Hobbs explained the Executive Mansion in Richmond is requesting that each county send a Christmas tree ornament for display. She explained we could have a local artist to design this or the Chamber of Commerce may have one already. Mr. McKlarney stated that Ms. Gnegy is currently working on this.

SUMMIT PLACE REQUEST

Ms. Hobbs explained because of licensing The Summit Place does not yet have any patients at this time, and it could be as late as August before they receive any patients. They are requesting a tax break for the first year and Ms. Hobbs would like to know how the Board feels regarding this issue. Mr. McCoy stated this facility is a great asset to the County and he feels we should help them. He stated we would need to hold a public hearing regarding the issue.

Mr. McCoy motioned to hold a public hearing regarding waiving taxes for 1 year for the Summit Place. Mr. Baker seconded the motion.

Discussion: Mr. Dunn feels they have already paid taxes on the facility while it was being built. Mr. Baker stated they do not have a Certificate of Occupancy and taxes should not have been paid yet. Mr. Dunn feels others in the community have been charged taxes while building. Mr. McKlarney is going to see if the Summit Place has already paid taxes.

The motion was approved 4-1 as follows:

Voting Yes: Mr. Williams, Ms. Hobbs, Mr. McCoy, and Mr. Baker

Abstained: Mr. Dunn

EXECUTIVE SESSION

Mr. McCoy moved to go into executive session as permitted by Virginia Code 2.2-3711, A (30) Contracts and 2.2-3711, A (1) Personnel. Mr. Baker seconded the motion. The motion was approved 5-0 as follows:

Voting Yes: Mr. Dunn, Mr. Williams, Ms. Hobbs, Mr. McCoy, and Mr. Baker

Mr. McCoy moved to return to open session and he certified that in the closed session just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information act cited in that motion. Mr. Baker seconded the motion.

The motion was approved 5-0 as follows:

Voting Yes: Ms. Hobbs, Mr. Williams, Mr. McCoy, Mr. Baker, and Mr. Dunn

ADJOURN

Ms. Hobbs stated there was no further business and adjourned the meeting. The Board of Supervisors will hold a Close-Out Meeting regarding the budget on June 25, 2015 at 3:00 PM at the Giles County Administration Office located at 315 North Main Street, Pearisburg.

APPROVED:

Chair

ATTEST:

Clerk

June 18, 2015

The Budget Process

The purpose of a budget is to provide a financial planning document to make efficient use of resources to meet the demand for public service and education.

The struggle in developing a budget is balancing need with economic realities. There are not sufficient financial resources to fully fund every need. The Board has the daunting task of determining which services to fund. Finding a balance between the need for services, ability and desire to pay for said services, and being responsive to their constituents, is the most important and most difficult task undertaken by government.

The 2015-2016 Budget process has been slowed by the reassessment process which has resulted in an overall decrease in valuation of 4.5% or the equivalent of \$0.025 in the tax rate.

Existing and Proposed Tax Rates

	EXISTING TAX RATE FY 14-15	PROPOSED TAX RATE FY 15-16
Real Estate	56¢ per \$100	61¢ per \$100
Motor Vehicles	\$1.91 per \$100	\$1.96 per \$100
Personal Property	\$1.91 per \$100	\$1.96 per \$100
Machinery and Tools	\$1.01 per \$100	\$1.06 per \$100
Transport Vehicles (Interstate Commerce)	\$1.01 per \$100	\$1.06 per \$100
Merchants Capital	81¢ per \$100	81¢ per \$100
Public Service Levy	56¢ per \$100	61¢ per \$100
Mobile Home Levy	56¢ per \$100	61¢ per \$100
Qual Disabled Vet. Vehicle	.005¢ per \$100	.005¢ per \$100
Motor Vehicle Decal Fee	\$20 per Vehicle	\$20 per Vehicle

PROPOSED REVENUES AND EXPENDITURES

BUDGET FY 2015-2016

REVENUE CATEGORY		EXPENDITURE CATEGORY	
Real Estate Taxes	\$6,371,525	Education	\$26,167,793
Public Service	\$969,423		
Personal Property	\$2,008,182	County Operations	\$4,455,068
PP Tax Relief	\$1,227,860	Public Service - Water /Sewer	
Mobile Home	\$52,109	Systems & Engineering	\$984,871
Machinery & Tools	\$3,512,520		
Common Carrier	\$7,280	Economic Development	\$631,898
Merchants Capital	\$180,462		
Penalties & Interest	\$125,600	Courts / Law Enforcement	\$4,671,467
Other Local	\$2,214,081		
Permits/Fees/Rental	\$74,701	Tax Collection & Assessment	\$794,495
Use of Money/Property	\$162,993		
Charges for Services	\$135,239	Emergency Services	\$537,729
Recovered Costs	\$1,383,452		
Non Categorical Aide	\$202,246	Social Services/CSA &	
Commonwealth Reimbursement	\$3,836,773	Community Services	\$3,976,910
Other Categorical Aid	\$503,044		
Recreation Revenues	\$428,533		
Industrial Development Authority	\$680,437	Debt Service	\$2,468,556
Water/Sewer Fees	\$532,105		
Schools (State & Federal)	\$19,180,908	Recreation	\$555,455
Loans/Grants	\$3,850,000		
Miscellaneous Revenue	\$41,406	Capital Improvements	\$4,165,000
Delinquent Collection Fees	\$43,995		
Reserve Fund Balances	\$127,523		
General Fund Transfer	\$1,556,845		
TOTAL	\$49,409,242	TOTAL	\$49,409,242

BUDGET INCREASES

INCREASES FY2015	
EDUCATION	\$546,336
EMPLOYEE 2%	\$85,535.00
INFORMATION TECHNOLOGY	\$66,581.00
JUVENILE DETENT	\$23,380.00
ELECTRIC SERVICES	\$10,000.00
BUDGET FOR CAP REPAIRS	\$22,000.00
HEALTH DEPT REQ	\$5,614.00
AGENCY REQUESTS	\$3,551.00
BUDGET CASTLE ROCK	\$30,000.00
HEAD START	\$20,000.00
ACCE PROGRAM	\$75,000.00
EXTENSION OFFICE	\$3,000.00
DEBT SERV 911 BUILD	\$250,000.00
VDOT REVENUE SHARING PROJECT	\$100,000.00
EASTERN WATER PROJECT	\$205,000.00
	\$1,445,997.00

INCREASES FY2016	AMOUNT
EDUCATION	436,811.00
SALARY & BENEFITS 1.5%-2% INCREASE	140,833.00
DEBT SERVICE VRA	231,125.00
COMMUNICATIONS SYSTEM UPGRADES	200,000.00
PSA SUBSIDY PUBLIC WORKS	122,000.00
NEW RIVER REGIONAL JAIL/PROGRAMS	211,357.00
RETIREMENT INCENTIVE	300,000.00
TOTAL	1,650,126.00

The Giles County Board of Supervisors will hold a public hearing on Thursday, June 18, 2015 at 7:00 PM in the Giles County General District Courtroom, 120 North Main Street, Pearisburg, Virginia, to hear citizens and other proposed budget and tax rates for Fiscal Year July 1, 2015-June 30, 2016. The proposed tax rates and budget follow:

EXISTING TAX RATE FY 14-15		PROPOSED TAX RATE FY 15-16	
Real Estate	56¢ per \$100	61¢ per \$100	
Motor Vehicles	\$1.91 per \$100	\$1.96 per \$100	
Personal Property	\$1.91 per \$100	\$1.96 per \$100	
Machinery and Tools	\$1.01 per \$100	\$1.06 per \$100	
Transport Vehicles over 10,000 lbs. (Interstate Commerce)	\$1.01 per \$100	\$1.06 per \$100	
Merchants Capital	81¢ per \$100	81¢ per \$100	
Public Service Levy	54¢ per \$100	59¢ per \$100	
Mobile Home Levy	56¢ per \$100	61¢ per \$100	
Qualified Disabled Vet. Veh	.005 per \$100	.005¢ per \$100	
Motor Vehicle Decal Fee	\$20 per Vehicle	\$20 per Vehicle	

The proposed penalty for taxes, levies and fees which are not paid by the due date is 10% of the unpaid balance. Real estate taxes are due on June 30, 2015 and December 5, 2015. All other taxes and fees are due on December 5, 2015. Ten percent (10%) interest charges are proposed to begin on the first day of the month following the payment due date. The Giles County recommended budget synopsis is prepared and published for information and fiscal planning purposes only. The inclusion in the budget of any item or items does not constitute an obligation or commitment on the part of the Board of Supervisors of Giles County to appropriate any funds for the item or purpose. The budget has been presented on the basis of the estimates and requests submitted to the County Administrator by the several office and department heads of the County. There is no allocation or designation of any funds of the County for any purpose until there has been an appropriation for that purpose by the Board of Supervisors. The budget is for information and fiscal planning purposes only and will not be approved, adopted, or ratified by the Board of Supervisors until at least seven days after the public hearing.

The public hearing is held pursuant to Section 15.2-2506 of the Code of Virginia, 1950, as amended, and is for the purpose of allowing the public to question and comment on the proposed budget. The board will also hold a public hearing on the new Budget Ordinance. All citizens of Giles County are invited to attend and state their views thereon, subject to reasonable time limits as shall be determined by the Board of Supervisors.

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