

April 26, 2012

At a special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 26th day of April, 2012; at 3:00 p.m., there were present:

Howard M. Campbell

William G. Fore, Jr.

Don C. Gantt, Jr.

Robert M. Jones

Charles W. McKay

Howard F. Simpson

Jim R. Wilck

Absent: Pattie Cooper-Jones

Also present: Wade Bartlett, County Administrator; Sarah Elam Puckett, Assistant County Administrator.

Chairman Fore called the special meeting to order, stating the purpose of the meeting was for a work session on the Prince Edward County School Budget and the County Budget.

In Re: Approval of FY13 School Budget

Chairman Fore stated:

With the Board's consent, I would like to open our meeting today with a few thoughts that I think summarize this Board's effort to draft a County Budget that best serves the needs of all of our citizens. Since January, this Board has met nine times, several of which were with the School Board, to discuss the FY 13 County Budget.

The budget schedule set by the Board calls for the approval of the County budget this afternoon. While the Governor and General Assembly have yet to completely finalize the budget for the Commonwealth, it appears we have enough information to enable Prince Edward County to maintain our schedule and approve a budget. Moving ahead now, keeps us on the historic timeline of approving a school budget by May 1, which better enables the School Board to make its decisions for the coming school year.

If we find that the final state budget contains significant changes to the funding being provided to the County, or if expenses have increased because of additional unfunded mandates, the Board has time to make amendments prior to the appropriation of the funds in June.

As has been the case over the last several years, the General Assembly is continuing to decrease the funds it provides to local governments and to shift expenses from the Commonwealth to local governments. This year that was especially true in the area of education.

Each member of the Board of Supervisors has heard from many of his or her constituents. Annually, as the Board works on the County budget, we must take into account the many differing, and often conflicting needs of our citizens. With the economy still weak, many of our residents simply cannot afford to pay any more in local taxes.

From the statements made by Board members at Tuesday's Budget work session, I think it is fair to say that not a single member of this Board supports an increase in local tax rates.

Much of the public discussion, both at Board meetings and in letters to the newspaper, has focused on the funding for the Schools. I want the public to clearly understand that the funding reductions the schools are facing are ALL a result of decreases in funds provided by the state and increases in expenses mandated by the state.

The funding the Board of Supervisors is voting to provide is exactly the same for the new Fiscal Year 2013 budget as it is in Fiscal Year 2012.

I say this because I want to be crystal clear that education is the number one priority in the County budget; no other department receives even a fraction of the amount of funding we provide to the schools.

However, the Board must provide funding to serve the needs of all of our citizens, and that includes law enforcement, public safety, social services, waste management, courts and education. And the majority of our citizens can only afford to pay so much.

Based on information from the County's annual audit, since 2008 the local dollars for education have increased by approximately \$450 per pupil; while the amount provided by the state has fallen by about \$540 per pupil. In total, that represents a reduction of approximately \$1.2 million in state funding.

This data is compiled from the County's audit and will not correlate precisely to information contained on the Department of Education web site. But the pattern of funding from local and state government is valid. Increase in local funds – decrease in state funds.

Some residents have stated the Board needs to think outside the box and develop new sources of revenues. We don't disagree.

Our problem is that over the years, the General Assembly has created stronger and stronger boxes to restrict the flexibility of local governments to raise local revenues. The first impediment for local governments is that Virginia is a "Dillon Rule" state; in fact we are the only "Dillon Rule" state in the nation.

The "Dillon Rule" basically says that local governments can only exercise those powers that are expressly provided to them in the state code.

Because of the Dillon Rule, counties are not allowed to implement the various revenue and taxation ideas that our citizens have asked the Board to consider, to include:

- (1) Creating higher real estate tax rates for people who can afford it – creating different real estate tax rates based on property values is expressly forbidden by the Constitution of Virginia;*
- (2) Increasing the local sales tax – that can only be done by the General Assembly;*
- (3) A Luxury Tax – that is not allowed, because the General Assembly has not given localities that authority.*

Finally, there appears to be a strong misperception concerning supposed funding provided by the County for the Granite Falls Hotel and the Revenue Sharing Project for the new Route 786. The Hotel is a private endeavor that is being funded 100% by the developer. There is not one single dollar in this County budget that will be spent on the Hotel.

The Road Project is being funded by a combination of funds from VDOT and borrowed funds, which the Hotel Developer has agreed, in writing, to pay on behalf of the County. If, in the worst case scenario, the Hotel is not built the annual debt service for the road is approximately \$97,000 per year. Additionally, there are other options available to the County to recover its investment, even if the Hotel is not built. And, while the \$97,000 is a sizeable amount of money, it is way short of the amount the School Board has stated it needs.

The bottom line is neither the Hotel nor the Road make an impact on the County budget or the funds available for County schools. I will add, that when the Hotel is built and the road is complete, the County will receive hundreds of thousands of dollars in new tax revenues that the Board can use to fund needed projects and operations in the County.

Since the announcement of the road project and the apparent successful funding of the Hotel, the County has been contacted by developers who are expressing interest in locating other projects in our area. Such projects would create even more jobs and revenues for the County.

It is clearly in the best interest of our citizens and our schools, if the Board continues to expand our County tax base from which to fund education and other county responsibilities. If the tax base is not expanded, the Board will be forced to reduce everybody's funding, and/or raise taxes.

Supervisor Simpson made a motion that the FY 13 Prince Edward County School Budget be approved as follows:

School Fund – the total for the School Fund is \$25,666,080, of which \$8,106,652 is local revenue as a transfer from the County General Fund

School Cafeteria Fund – the total for the School Cafeteria Fund is \$1,087,070, of which \$0.00 is local revenue as a transfer from the County General Fund

This provides for an overall FY 13 Prince Edward County School Budget in the amount of \$26,753,150.

The motion carried:

Aye:	Howard M. Campbell	Nay: None
	William G. Fore, Jr.	
	Don C. Gantt, Jr.	
	Robert M. Jones	
	Charles W. McKay	
	Howard F. Simpson	
	Jim R. Wilck	

Absent: Pattie Cooper-Jones

In Re: Resolution to Approve FY13 Prince Edward County Budget

Supervisor Simpson made a motion to approve the Resolution to Approve the FY 13 Prince Edward County Budget; the motion carried:

Aye: Howard M. Campbell
William G. Fore, Jr.
Don C. Gantt, Jr.
Robert M. Jones
Charles W. McKay
Howard F. Simpson
Jim R. Wilck

Nay: None

Absent: Pattie Cooper-Jones

A Resolution to Approve the FY 13 Prince Edward County Budget

WHEREAS, it is the responsibility of the Prince Edward County Board of Supervisors to approve and control the fiscal plan for the County of Prince Edward, Virginia for Fiscal Year 2013 (FY 13); and

WHEREAS, on March 27, 2012 the County Administrator submitted to the Board of Supervisors the Proposed FY 13 Budget; and

WHEREAS, the Board of Supervisors has conducted a total of nine meetings/work sessions on the FY 13 County Budget; and

WHEREAS, the Board of Supervisors has received citizen input on the proposed budget and proposed tax rates at a duly advertised Public Hearing held April 17, 2012; 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 County Administrator and amended by the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Prince Edward, that the FY 13 Budget for Prince Edward County of \$50,953,192 is hereby approved and effective July 1, 2012.

In Re: Approval of An Ordinance to Impose Tax Levies for Calendar Year 2012

Supervisor Simpson made a motion to approve the Ordinance to Impose Tax Levies for Calendar Year 2012; the motion carried:

Aye: Howard M. Campbell
 William G. Fore, Jr.
 Don C. Gantt, Jr.
 Robert M. Jones
 Charles W. McKay
 Howard F. Simpson
 Jim R. Wilck

Nay: None

Absent: Pattie Cooper-Jones

An Ordinance to Impose Tax Levies For Calendar Year 2012

Whereas, the Board of Supervisors establishes the levies for the County of Prince Edward, Virginia; and

Whereas, for calendar year 2012 beginning January 1, 2012 and ending December 31, 2012, the Board of Supervisors has duly advertised and held a public hearing on the subject tax levies;

Now, Therefore, Be it Resolved, by the Board of Supervisors of the County of Prince Edward, that the following tax levies be, and they hereby are, imposed for the calendar year 2012:

Levy	Nominal Tax Rate (per 100 of assessed valuation)	Value Used for Assessment Purposes
Real Estate	\$0. 42	Fair Market Value
Mobile Homes	\$0.42	Fair Market Value
Merchant's Capital	\$0.70	100% of Original Cost
Tangible Personal Property-Motor Vehicles	\$4.50	NADA Guide/Loan Value
Tangible Personal Property-Business Furniture & Fixtures	\$4.50	20% of Original Cost
Tangible Personal Property-Heavy Equipment	\$4.50	20% of Original Cost
Machinery & Tools	\$4.20	10% of Original Cost
Farm Machinery & Livestock	\$0.00	-----

Chairman Fore reminded the citizens in attendance of the Town Hall Meeting with Senator Tom Garrett at Crawley Forum on the Hampden-Sydney College Campus at 7:00 p.m.

Supervisor Gantt expressed his concern about the school budget and suggested adding a line on the tax tickets to allow citizens to submit funding expressly for the schools or to make a donation to the schools; such funding would be used at the discretion of the School Board.

Supervisor Gantt also suggested the Board of Supervisors consider allowing the School Board to have a "General Fund." He stated the School Board must currently appropriate for each dollar spent in each line item; any

funding not spent may result in its being withdrawn. He added he would like the School Board to be permitted to retain any saved funding.

Supervisor Cooper-Jones entered the meeting at this time.

Supervisor Gantt then stated that the Prince Edward County Schools are in the bottom 5% of schools in the nation; he suggested the Board of Supervisors develop a different relationship with the School Board to hold them accountable.

Chairman Fore stated the Board of Supervisors appoints the School Board to run the schools with the Superintendent. He said the direct responsibility stops with the provision of local funding. Chairman Fore then suggested a committee be formed to work with Mr. Bartlett and Dr. Smith, along with the School Board and a few private citizens. Discussion followed.

In Re: Closed Session

Supervisor Gantt made a motion that the Board convene in Closed Session for the purpose of discussing the acquisition of real property related to the Route 786 Road Project, pursuant to the exemption provided for in Section 2.2-3711(A)(3) of the *Code of Virginia*. The motion carried:

Aye:	Howard M. Campbell Pattie Cooper-Jones William G. Fore, Jr. Don C. Gantt, Jr. Robert M. Jones Charles W. McKay Howard F. Simpson Jim R. Wilck	Nay: None
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The Board returned to regular session by motion of Supervisor McKay and adopted as follows:

Aye:	Howard M. Campbell Pattie Cooper-Jones William G. Fore, Jr. Don C. Gantt, Jr. Robert M. Jones Charles W. McKay Howard F. Simpson Jim R. Wilck	Nay: None
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On motion of Supervisor McKay and carried by the following roll call vote:

Aye:	Howard M. Campbell	Nay: None
	Pattie Cooper-Jones	
	William G. Fore, Jr.	
	Don C. Gantt, Jr.	
	Robert M. Jones	
	Charles W. McKay	
	Howard F. Simpson	
	Jim R. Wilck	

the following Certification of Closed Meeting was adopted in accordance with the Virginia Freedom of Information

Act:

WHEREAS, the Prince Edward County Board of Supervisors 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 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 Prince Edward County Board of Supervisors hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this 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 Prince Edward County Board of Supervisors.

On motion of Supervisor McKay and adopted by the following vote:

Aye:	Howard M. Campbell	Nay: None
	William G. Fore, Jr.	
	Don C. Gantt	
	Robert M. Jones	
	Charles W. McKay	
	Howard F. Simpson	
	Jim R. Wilck	
	Mattie P. Wiley	

the meeting was adjourned at 4:15 p.m.