

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTGOMERY, VIRGINIA HELD ON THE 9th DAY OF MARCH, 2015 AT 6:30 P.M. IN THE BOARD CHAMBERS, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	William H. Brown	-Chair
	Mary W. Biggs	-Vice Chair
	Gary D. Creed	-Supervisors
	M. Todd King	
	Christopher A. Tuck (arrived 7:10 p.m.)	
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Deputy County Administrator
	Martin M. McMahon	-County Attorney
	Angie Hill	-Financial & Management Services Director
	Mark Magruder	-Budget Manager
	Ruth Richey	-Public Information Officer
	Vickie L. Swinney	-Secretary, Board of Supervisors

ABSENT:	Matthew R. Gabriele	-Supervisors
	Annette S. Perkins	

CALL TO ORDER

The Chair called the meeting to order.

INTO CLOSED MEETING

On a motion by M. Todd King, seconded by Mary W. Biggs and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Closed Meeting for the purpose of discussing the following:

- Section 2.2-3711 (1) Discussion, Consideration or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body

1. Economic Development Authority

- (3) Discussion or Consideration of the Acquisition of Real Property for Public Purpose, or of the Disposition of Publicly Held Real Property, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy of the Public Body

1. Former Blacksburg Middle School Property

The vote on the forgoing motion was as follows:

AYE

Gary D. Creed
M. Todd King
Mary W. Biggs
William H. Brown

NAY

None

ABSENT DURING VOTE

Christopher A. Tuck

ABSENT

Matthew R. Gabriele
Annette S. Perkins

OUT OF CLOSED MEETING

On a motion by Mary W. Biggs, seconded by M. Todd King and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Closed Meeting to return to Regular Session.

The vote on the forgoing motion was as follows:

AYE

M. Todd King
Mary W. Biggs
Christopher A. Tuck
Gary D. Creed
William H. Brown

NAY

None

ABSENT

Matthew R. Gabriele
Annette S. Perkins

CERTIFICATION OF CLOSED MEETING

On a motion by Gary D. Creed, seconded by Mary W. Biggs and carried unanimously,

WHEREAS, The Board of Supervisors of Montgomery County has 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 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, That the Board of Supervisors of Montgomery County, Virginia 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 conveying the closed meeting were heard, discussed or considered by the Board.

VOTE

AYES

Mary W. Biggs
Gary D. Creed
M. Todd King
William H. Brown

NAYS

None

ABSTAIN

Christopher A. Tuck (was not present during Closed Session)

ABSENT DURING VOTE

Matthew R. Gabriele
Annette S. Perkins

ABSENT DURING MEETING

Matthew R. Gabriele
Annette S. Perkins

INVOCATION

A moment of silence was led by the Chair.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

PUBLIC ADDRESS

David Pearce addressed the need for the School Board to adopt a long-term Capital Maintenance fund in the School Board's budget. Mr. Pearce stated the School Board needs to develop a substantial capital budget instead of including annual requests for one-time funds for capital needs.

Robbie Jones spoke in support of the School Board FY 2015-2016 Budget and stated the budget is a needs based budget.

Bill Murray addressed the Board with his concerns with the proposed Fieldstone Housing Development. Mr. Murray stated that not all of the displaced residents have a relocation plan and that some residents are losing their homes. He also fears that when the portion of mobile home park, purchased by Fieldstone, is closed there will be no place for people to live that is affordable. He also expressed concerns with the stormwater plan. Mr. Murray believes providing an incentive to this project is not good for the County.

Tom Sherman spoke in support of the Fieldstone Housing Development as it will provide affordable housing in Montgomery County. Mr. Sherman encouraged the Board to support this project and provide the necessary incentives in order for the developer to receive tax credits needed to develop this project.

April DeMotts spoke in support of the Fieldstone Housing Development. Ms. DeMotts, a manager for a student housing complex, stated she knows how student housing increases the cost of residential housing in the area for everyone. She stated the Board's support for this project will show the Board's commitment to the citizens for affordable housing.

There being no further speakers, the public address session was closed.

INTO WORK SESSION

On a motion by Mary W. Biggs, seconded by M. Todd King and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. FY 2015-2016 Budget Presentation

The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Christopher A. Tuck	None	Matthew R. Gabriele
Gary D. Creed		Annette S. Perkins
M. Todd King		
Mary W. Biggs		
William H. Brown		

FY 2015-2016 Budget Presentation

County Administrator Craig Meadows presented Montgomery County's FY 2015-2016 Proposed Budget. He provided the following statement:

"As you are aware, our general reassessment of County real estate became effective on January 1. In years past, reassessments were a time for local governments to "catch up" with revenue shortfalls by capturing some of the growth in real estate property values (for example, the 2007 reassessment provided a 34% property value increase). However, the Great Recession of 2008 dramatically changed the revenue outlook for many communities. Instead of looking forward to how to apply new real estate tax revenues to programs and capital needs, many communities realized that further cuts would be needed simply to balance their existing budgets. Montgomery County has been very fortunate in that, over the past two reassessments, we have seen slight increases in real property values. For the 2015 reassessment, the County experienced an approximate 2% increase in value. By state law, the County is allowed to retain 1% of the value of the reassessment. This 1% value provides for an additional \$700,000 in real estate tax revenue for FY 2016. New construction is estimated to add an additional \$400,000 in growth. This projected revenue growth is more than offset by \$4.1 million in additional funding requests from County departments, which does not include any increase in compensation or benefits for our employees. County departments (including Constitutional offices) requested a total of 15 new positions. Also, \$3.9 million in additional funding is requested by the Montgomery County Public Schools for fiscal year 2016.

The proposed FY 2015-2016 budget for the County is \$175.5 million, a \$3.7 million or 2% increase from the current fiscal year. The County's General Fund (excluding transfers) totals \$45.0 million, the Economic Development Authority incentive program represents \$380,000, and the School Operating Fund is \$99.5 million. Of the \$3.9 million requested in additional funding for the schools, I am recommending an increase of \$1,975,205. The proposed County budget also includes the Debt Service Fund (\$23.9 million), the School Nutrition Fund (\$4.5 million), the School Capital Construction Fund (\$1.5 million), the Fire & Rescue Capital Equipment Fund (\$730,000), and the Law Library Fund (\$17,600).

The "revenue neutral" real estate tax rate is 88 cents, based on the 2015 reassessment. I am proposing that the real estate tax rate for FY 2015-16 remain steady at the current rate of 89 cents. The 89 cent rate continues to earmark two cents for the School Capital Construction Fund

and one cent for the County Capital Construction Fund to replace fire and rescue equipment. No changes are recommended to the County’s personal property tax rates for FY 2016.

As a part of the FY 2015-2016 budget, I am proposing that the County’s pay and classification scale be “re-graded” upward by 2%. This means that the minimum, midpoint, and maximum salaries in each of our 32 pay grades will be increased by 2%. It also means that the County’s employees will “move” 2% upward in his or her pay grade as well, resulting in an increase in salary. I am further proposing that the County set aside funding to allow for a 2% merit increase for non-probationary employees, based on the employee’s anniversary date. In the past five years, the County has only funded one merit increase for employees. A merit increase will allow us to begin to repair compression and inequity issues among pay in our current employee base.”

The County Administrator turned the presentation over to Carol Edmonds, Deputy County Administrator, to provide an overview of the proposed FY 16 Budget.

The Deputy County Administrator presented the following chart showing an overview of the FY 16 Budget:

FY 16 Budget Overview

Total Proposed Budget = \$175.53 Million
Proposed Real Estate Tax Rate is 89 Cents

			Total Increase
General Fund	=	\$ 113.10 Million	
Less Transfers			
School Operating	=	(\$ 44.10 Million)	
Debt Service	=	(\$ 21.53 Million)	
School Capital	=	(\$ 1.46 Million)	
EDA	=	(\$.38 Million)	
County Capital	=	(\$.73 Million)	
 Net General Fund	 =	 \$ 44.97 Million	 \$ 1.21 Million
School Operating Budget	=	\$ 99.50 Million	\$ 2.45 Million
School Nutrition Fund	=	\$ 4.55 Million	\$ 0.26 Million
County Capital (F&R)	=	\$ 0.73 Million	\$ 0.03 Million
Debt Service	=	\$ 23.92 Million	(\$ 0.30 Million)
School Capital	=	\$ 1.46 Million	\$ 0.06 Million
EDA	=	\$.38 Million	\$ 0.00 Million
Total =		\$175.53 Million	\$ 3.71 Million

\$ 3.71 Million Increase over FY 15

New Undesignated Dollars	\$ 2.7 Million
New Designated Dollars	\$.3 Million
New Designated Dollars-Schools (includes nutrition fund)	\$.7 Million
Total = \$ 3.7 Million	

Ms. Edmonds provided a brief summary of the 2015 Reassessment as follows:

- The 2015 Reassessment was effective January 1, 2015.
- The value increase due to the reassessment is 2%.
\$7.30 Billion to \$7.46 Billion
- State law allows 1% of the value increase from a general reassessment to be retained which is \$73 million.
- The revenue neutral tax rate would be 88 cents. In the Proposed Budget, the tax rate remains at 89 cents.
- By keeping the tax rate at 89 cents, it must be advertised as a tax rate increase of one cent.

The undesignated revenue comes from the following:

- 1% value due to the 2015 Reassessment	=	\$ 0.7 million
- 1 cent increase from 88 cents to 89	=	\$ 0.7 million
- Growth from new construction	=	<u>\$ 0.4 million</u>
Total real estate revenue increase	=	\$ 1.8 million
- Net of all other revenue changes	=	<u>\$ 0.9 million</u>
Increase in undesignated dollars		= \$ 2.7 million

Undesignated dollars to schools = \$1.98 million

Undesignated dollars to county = \$0.72 million

Total budget requests for FY 16 are as follows:

County Requests	\$4,781,475
School Operating	<u>\$3,924,543</u>
Total	\$8,706,018
New Revenue	<u>\$(2,710,570)</u>
Shortfall	\$5,995,448

The County Administrator concluded that during the budget preparation process, the County received requests for increased funds from outside agencies totaling over \$79,000 more than the current \$1.6 million provided in the current fiscal year. Some of these requests were to expand or add services, while other increases are “mandated.” The proposed budget does not recommend providing funding for any new outside agencies for FY 2016, and only provides increased funds for those outside agencies where funding is mandated.

He reported that the required public hearings on the budget and the tax rate are scheduled for Thursday, April 9rd at 6 p.m. The Board is scheduled to establish the real estate tax rate and adopt the budget at a special meeting on Monday, April 20th. He also requested that the Board hold a budget work session on Monday, March 16th at 6 p.m.

Chair Brown thanked the County Administrator and his staff for all their hard work on preparing the proposed FY 16 Budget. He asked fellow Board members if they were available for a budget work session on Monday, March 16, 2015.

It was Board consensus to hold a budget work session on Monday, March 16, 2015 at 6:00 p.m.

OUT OF WORK SESSION

On a motion by Christopher A. Tuck, seconded by Mary W. Biggs and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Gary D. Creed	None	Matthew R. Gabriele
M. Todd King		Annette S. Perkins
Mary W. Biggs		
Christopher A. Tuck		
William H. Brown		

RECESS

The Board took a recess at 8:15 and reconvened at 8:30 p.m.

NEW BUSINESS

Fieldstone Housing Development

The County Administrator distributed a chart showing options for a financial incentive for Fieldstone Housing Development as follows:

FIELDSTONE GRANT

March 9, 2015

Option 1= Annual Grant of 100% of Taxes Paid up to \$58,874 for 10 years and Prorated Grant for 5 years-(Fieldstone Revised Proposal)

Units	144
Estimated value	50,000
Total Value	7,200,000
Less current value	<u>(585,000)</u>
Added Value	6,615,000
Added taxes at .89	58,874
Annual Grant	
Annual grant amount	58,874
Years 1-10 -Total	588,740
Year 11- 80% grant	47,099
Year 12- 60% grant	35,324
Year 13- 40% grant	23,550
Year 14- 20% grant	11,775
Year 15- no grant	<u>0</u>
Grand Total Grant	706,488

Option 2= Annual Grant of 75% of Taxes Paid up to \$58,874 for 15 years

Units	144
Estimated value	50,000
Total Value	7,200,000
Less current value	<u>(585,000)</u>
Added Value	6,615,000
Added taxes at .89	58,874
Annual Grant at 75%	
	44,155
Total for 15 years	662,327

Option 3= Annual Grant of 100% of Taxes Paid up to \$58,874 for 10 years	
Units	144
Estimated value	50,000
Total Value	7,200,000
Less current value	<u>(585,000)</u>
Added Value	6,615,000
Added taxes at .89	58,874
Refund	
Annual grant amount	58,874
Cost for 10 years	588,740

Option 4= No Grant

He stated that the resolution on the agenda for consideration has several blanks that the Board will need to fill in as to what if any financial incentive the Board may want to provide.

The Board had a lengthy discussion on the proposed Fieldstone Housing Development. While they support the development for affordable housing they expressed concerns with providing a financial incentive.

Supervisor Creed made a motion to deny the Resolution expressing the County’s commitment to support the development of proposed Fieldstone development located at 401 Givens Lane. Motion died for lack of second.

Supervisor Tuck stated he was willing to make a motion to table the request in order for more detailed information regarding the development be provided to the Board.

**R-FY-15-92
TABLED
A RESOLUTION EXPRESSING THE COUNTY'S COMMITMENT
TO SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING
ON GIVENS LANE IN THE TOWN OF BLACKSBURG, COUNTY OF
MONTGOMERY, VIRGINIA**

On a motion by Christopher A. Tuck, seconded by Mary W. Biggs and carried unanimously,

BE IT RESOLVED, By the Board of Supervisors of the County of Montgomery, Virginia that the Board’s resolution expressing the County’s commitment to support the development of proposed Fieldstone development located at 401 Givens Lane, designed to provide affordable housing within the Town of Blacksburg, County of Montgomery, Virginia is hereby **TABLED** until March 23, 2015 in order to obtain more detailed information about the development.

The vote on the foregoing resolution was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
M. Todd King	None	Matthew R. Gabriele
Christopher A. Tuck		Annette S. Perkins
Gary D. Creed		
Mary W. Biggs		
William H. Brown		

R-FY-15-93
APRIL 2015 DECLARED
NATIONAL COUNTY GOVERNMENT MONTH

On a motion by Mary W. Biggs, seconded by Christopher A. Tuck and carried unanimously,

WHEREAS, Counties move America forward by building infrastructure, providing health care, administering justice, keeping communities safe, running elections, managing solid waste, keeping records and much more; and

WHEREAS, Montgomery County, and all counties, take pride in their responsibility to protect and enhance the health, welfare and safety of its residents in efficient and cost-effective ways; and

WHEREAS, The National Association of Counties is encouraging counties to focus on how they have improved their communities through building new facilities, water and sewer improvements and other public works activities; and

WHEREAS, Each year since 1991 the National Association of Counties has encouraged counties across the country to actively promote their own programs and services to the public they serve.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Supervisors of Montgomery County, Virginia that the Board of Supervisors does hereby proclaim **April 2015** as **National County Government Month** and encourages all county officials, employees, schools and residents to participate in county government celebration activities.

The vote on the foregoing resolution was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Mary W. Biggs	None	Matthew R. Gabriele
Christopher A. Tuck		Annette S. Perkins
Gary D. Creed		
M. Todd King		
William H. Brown		

COUNTY ATTORNEY’S REPORT

No Report.

COUNTY ADMINISTRATOR’S REPORT

No Report.

BOARD MEMBERS REPORTS

Supervisor Biggs reminded everyone about the government officials dessert reception being hosted by the Montgomery-Floyd Regional Library on March 18, 2015 at 7:30 p.m.

Supervisor Brown asked everyone to keep several fire and rescue volunteers in their prayers who have cancer. He stated that these volunteers put their lives at risk daily and no amount of safety equipment can keep out all the toxic fumes.

ADJOURNMENT

The Chair declared the meeting adjourned to Monday, March 16, 2015 for a Budget Work Session at 6:00 p.m. The meeting adjourned at 9:14 p.m.

APPROVED _____ ATTEST: _____
William H. Brown F. Craig Meadows
Chair County Administrator