

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF MONTGOMERY COUNTY, VIRGINIA HELD ON THE 7TH DAY OF MARCH, 2011 AT 5:00 P.M. IN THE COUNTY ADMINISTRATION CONFERENCE ROOM IN THE MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	James D. Politis	-Chair
	William H. Brown	-Vice Chair
	Gary D. Creed	-Supervisors
	Doug Marrs	
	Mary W. Biggs	
	John A. Muffo	
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Assistant County Administrator
	Martin M. McMahon	-County Attorney
	Angie Hill	-Financial & Management Services Director
	Marc Magruder	-Budget Manager
	Steve Sandy	-Planning Director
	Ruth Richey	-Public Information Officer
	Judy W. Kiser	-Assistant to the County Administrator
	Bob Pearsall	-GIS Manager
	Michael Sutherland	-Cartographer/GIS Analyst
	E. Randall Wertz	-Registrar
ABSENT:	Annette S. Perkins	-Supervisor

CALL TO ORDER

The Chair called the meeting to order.

INTO WORK SESSION

On a motion by Mary W. Biggs, seconded by Doug Marrs and carried unanimously,

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

1. Redistricting Process
2. FY 2011-2012 Budget Presentation

Redistricting Process

The County Attorney explained that during this process, staff has made every effort to be sure that any changes made will make it more convenient for the voters, and no elected official was affected by his or her voting district, and no appointee by district will be affected. One new precinct was created in District E. The newly created E-3 precinct will be located on the Virginia Tech campus.

The County Attorney reviewed the following information with the Board:

Draft 2011 Redistricting Populations March 7, 2011

District	2010 Census Pop	Adjustment	2011 District	% from ideal
A	12994	485	13525	0.30%
B	15501	-2151	13350	-1.00%
C	12850	649	13496	0.08%
D	13543	0	13543	0.43%
E	12846	633	13479	0.04%
F	13307	228	13511	0.19%
G	13354	156	13488	

2010 County Population = 94,392
Ideal District size = 13,485

2011 Redistricting Update Summary of Changes Proposed to Voting Districts

A District – Annette Perkins

1. Added 485 people
2. Added Deercroft, Woodland Hills and Blacksburg Country Club Subdivisions (removed from District B) (population = +957)
3. Removed a portion from north end of Town of Blacksburg (-156 to District G)
4. Removed a portion from south end of Town of Blacksburg (-316 to District E)

B District – Doug Marrs

5. Removed 2151 people
6. Removed Deercroft, Woodland Hills and Blacksburg Country Club Subdivisions (- 957 to District A)
7. Removed area north of Route 114 outside of Town of Christiansburg (- 526 to District E)
8. Removed area east of Ellett Road (- 649 to District C)
9. Removed all areas in Town of Blacksburg (- 61 to District E)
10. Added north side of Jennelle Road outside of Town of Blacksburg (+42)

C District – Gary Creed

11. Added 649 people
12. Added area on east side of Ellett and Luster's Gate Roads (+649 from District B)

D District – Jim Politis

13. No change

E District – William Brown

14. Added 633 people
15. Added area north of Route 114 outside of Town of Christiansburg (+ 526 from District B)
16. Added area of Airport Road (+223 from District A) and Blacksburg Industrial Park (+154 from District B) and VT campus (+178 from District F)
17. Modified areas along western boundary of Town of Blacksburg (-406 to District F)
18. Removed north side of Jennelle Rd outside of Town of Blacksburg (-42 to District B)

F District – Mary Biggs

19. Added 228 people
20. Modified areas of along western boundary of Town of Blacksburg and VT (+228 from District E)

G District – John Muffo

21. Increased by 156 people
22. Extended district north to Town of Blacksburg limits (+156 from District A)

The next step is for the County Attorney and Planning staff to meet with special interest groups (such as the League of Women Voters, NAACP, Republican Party, Democratic Party) to get their input and report back to the Board of Supervisors. The Board of Supervisors then needs to schedule a public hearing on the proposed changes to the voting districts.

All proposed changes to the voting districts must be finalized and sent to the US Justice Department by May 2011.

It was the consensus of the Board that staff move forward with the next step in the process.

FY 2011-2012 Budget Presentation

The County Administrator presented the Proposed Budget for FY 2011-2012 as follows:

- As last year, the 2011-2012 Proposed Budget strives to preserve two of our core responsibilities:
 - Public Safety
 - Public Education
- Public safety needs
 - opening of new courthouse in early 2012
 - increasing costs for inmate housing at Western Virginia Regional Jail
 - growing F&R capital equipment needs

- Public education needs
 - requesting additional funds for operations
 - planning for future debt service costs for new schools proposed in Riner and Blacksburg
- Continuing the vacancy freeze combined with reducing positions generates savings in the upcoming year that will offset my recommendation for a 3% salary increase for County employees.
- Our employees are the County’s greatest asset; ensuring that we take care of them ensures that we continue to provide the best possible services to our citizens and businesses.

	Total Budget =	\$ 156.3 million
• School Operating Budget		\$ 90.8 million
• Other School Funds		\$ 3.9 million
• General		\$ 40.9 million
• Debt Service		\$ 18.1 million
• School Capital		\$ 1.4 million
• County Capital		\$.7 million
• Revenue Stabilization Fund		<u>\$.5 million</u>
	Total	\$ 156.3 million

THE PROPOSED REAL ESTATE TAX RATE IS 77 CENTS, AN INCREASE OF 3 CENTS FROM CURRENT 74 CENTS AND 4 CENTS FROM THE “REVENUE NEUTRAL” RATE OF 73 CENTS

REVENUE ADDED

COUNTY DOLLARS ADDED

• Dollars from Property Tax Growth	\$ 1.1 million
• Dollars from 4 Cent Real Estate Tax Increase	\$ 2.8 million
• Dollars from Other Undesignated	\$ 0.1 million

OTHER REVENUE

• Increase in Debt Service Recovered Interest	\$ 0.3 million
• Increase in Federal Dollars (Schools)	\$ 1.4 million
• Decrease in Designated Dollars	\$ (0.2) million
• State Dollars – Net	\$ 0
• Increases \$’s for schools but decreases in other areas net to zero	

GRAND TOTAL \$ 5.6 million

	FY 11 Approved	FY 12 Proposed	Difference
School Operating Fund	\$ 88,616,820	\$90,775,326	\$ 2,158,506
Other School Funds	\$ 3,804,715	\$ 3,880,810	\$ 76,095
General Fund	\$ 39,552,504	\$40,888,135	\$ 1,335,631
Debt Service	\$ 17,762,983	\$18,100,690	\$ 337,707
School Capital Fund	---	\$ 1,400,000	\$ 1,400,000
County Capital Fund	\$ 340,000	\$ 700,000	\$ 360,000
Revenue Stabilization Fund	\$ 564,248	\$ 500,000	(\$64,248)
Law Library	\$ 17,600	\$ 17,600	\$ 0
TOTAL	\$150,658,870	\$156,262,561	\$ 5,603,691

DOLLAR IMPACT OF A 4 CENT TAX INCREASE

Tax Increase	Average Home Value	Current Tax Bill	Total Increase	Percent Increase	Increase Cost on Each of 2 Tax Bills	Monthly Cost Increase
4 cents	209,274	1,549	\$ 83.71	5.41%	\$ 41.85	\$ 6.98
3 cents	209,274	1,549	\$ 62.78	4.05%	\$ 31.39	\$ 5.23
2 cents	209,274	1,549	\$ 41.85	2.70%	\$ 20.93	\$ 3.49
1 cent	209,274	1,549	\$ 20.93	1.35%	\$ 10.46	\$ 1.74

***Note**

Actual Ave based on Land Records
 24,649 dwellings
 \$5,158,395,200 in residential value

Average = \$209,274

GENERAL FUND

General Fund Budget

FY 09 Approved General Fund	\$39.3 Million
FY 10 Approved General Fund	\$39.3 Million
FY 11 Approved General Fund	\$39.6 Million
FY 12 Proposed General Fund	\$40.9 Million

GENERAL FUND EXPENDITURES

- Sheriff's Office –proposed budget adds \$1.2 million for:
 - Funding for 6 of the 12 new deputies and equipment requested to provide courthouse security
 - Unfreezing 3 positions held vacant in FY 11, and
 - Increased costs of \$718,115 at the WVRJ due to an increase in the number of County inmates housed at the facility

- Fire and Rescue – proposed budget adds \$410,000
 - \$50,000 for increased operational costs to be allocated by the F&R Commission, and

- \$360,000 to restore the one cent of the real estate tax rate earmarked for Capital Equipment

GENERAL FUND EXPENDITURE INCREASES

Required Expenditures

Property Insurance and Audit increases	30,999
911 Authority	30,000
Maintenance, utilities and housekeeping for new courthouse	203,272
Outside Agencies	<u>29,822</u>
Total	294,093

The Proposed Budget reduces the Retirement Incentive program by \$100,000 from FY 11 to FY 12 to a total of \$162,500

The Revenue Stabilization Fund is also reduced by \$64,248

OTHER HIGHLIGHTS

- Debt Service Increase/ \$ 337,707
Offset By Interest Subsidy
- Health Clinic increased hours \$ 39,059
- Citizens Survey and Academy \$ 13,500
- Frozen one FTE in Public Information ~~(\$ 50,714)~~
- Unfreezing one FTE in IT \$ 83,484
- Redistricting Costs \$ 40,000
(held in Special Contingencies)
- Line of Duty \$ 50,000
(held in Special Contingencies)

SCHOOL OPERATING FUND

School Operating Budget

FY 10 Approved School Operating Fund = \$96.4 Million
 FY 11 Approved School Operating Fund = \$88.6 Million
 FY 12 MCPS Operating Fund Request = \$93.5 Million*
 FY 12 Proposed School Operating Fund = \$90.8 Million*

*includes \$263,261 in one-time funding

SCHOOL OPERATING FUND

- The FY 12 Proposed Budget includes an additional \$700,000 or the equivalent of 1 cent on the real estate tax rate for school operations.
- The Proposed Budget includes additional state funding of \$304,683. According to the schools, this amount increased to \$810,160; however, the majority of funds are one-time, and the schools are reviewing how funds can be used.
- The VRS rate approved by the General Assembly will reduce the expenditures in FY 12 estimated for VRS by \$396,145

FUTURE SCHOOL CAPITAL FUNDING

- In November of last year, the Board – at the Montgomery County School Board’s request-offered support for moving forward with school capital projects.
- The projects included:
 - New Auburn High School \$ 44.6 million
 - New Blacksburg High School \$ 57.4 million
 - Renovated Auburn HS to Middle- \$ 22.5 million
 - Total Estimate \$124.5 million

FUTURE SCHOOL CAPITAL FUNDING

- On Friday, the County was notified that \$15 million in QSCB (no interest bonds) was allocated for Blacksburg High School. Assuming a 5% interest rate, these bonds save the County an estimated \$8 to \$9 million in interest costs over 20 years.
- Repayment of the \$15 million in principal is estimated to cost an estimated \$800,000 annually.

SCHOOL CAPITAL PROJECTS

- A future bond issue will be needed to cover the remaining costs of these three school projects
- To plan for future debt service costs related to these school projects, the FY12 Proposed Budget earmarks 2 cents of the 77 cent tax rate or \$1,400,000 for increased debt service in the future.\

NEXT STEPS

- Establish a budget and tax rate to advertise for public hearing
- Vote on an Advertised Budget and Advertised Tax Rate
 - If you approve advertising the Proposed Budget and Tax Rate tonight, the public hearing date can remain March 24, or we can reschedule the public hearing
 - Resolution prepared for tonight to vote on the advertised rate
 - Budget Calendar includes a work session for March 14 if needed before the public hearing

OUT OF WORK SESSION

On a motion by Doug Marrs, seconded by William H. Brown and carried unanimously,

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

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Doug Marrs	None	Annette S. Perkins
William H. Brown		
Mary W. Biggs		
Gary D. Creed		
John A. Muffo		
James D. Politis		

Motion to Establish an Advertised Real Estate Tax Rate and Proposed FY 2011-2012 Budget

Supervisor Brown made a motion, seconded by Supervisor Biggs, to advertise a proposed Real Estate tax rate of 77¢ per \$100 of assessed valuation of real estate based on 100% of fair market value, and to advertise the proposed FY 2011-2012 Budget in the amount of \$156,262,561.

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
William H. Brown	Gary D. Creed	Annette S. Perkins
John A. Muffo	Doug Marrs	
Mary W. Biggs	James D. Politis	

Rule #6 of the Board’s Rules of Order states “In any case in which there shall be a *tie vote* of the Board upon any question when all of the members are not present, that question shall be passed by until the next meeting when it shall again be voted upon even though all members are not present. In any case in which there shall be a tie vote upon any question after complying with this procedure, that tie vote shall defeat the motion, resolution or issue voted upon”.

Therefore, the matter will be listed on the Board’s March 14, 2011 agenda.

Motion to Establish an Advertised Real Estate Rate and Proposed FY 2011-2012 Budget

Supervisor Creed made a motion, seconded by Supervisor Marrs to advertise a proposed Real Estate tax rate of 76¢ per \$100 of assessed valuation of real estate based on 100% of fair market value, and to advertise the proposed FY 2011-2012 Budget in the amount of \$155,562,561.

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Gary D. Creed	William H. Brown	Annette S. Perkins
Doug Marrs	Mary W. Biggs	
James D. Politis	John A. Muffo	

Rule #6 of the Board’s Rules of Order states “In any case in which there shall be a *tie vote* of the Board upon any question when all of the members are not present, that question shall be passed by until the next meeting when it shall again be voted upon even though all members are not present. In any case in which there shall be a tie vote upon any question after complying with this procedure, that a tie vote shall defeat the motion, resolution or issue voted upon”.

Therefore, the matter will be listed on the Board’s March 14, 2011 agenda.

INTO CLOSED MEETING

On a motion by Mary W. Biggs, seconded by Doug Marrs 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. Social Services Board

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Mary W. Biggs	None	Annette S. Perkins
Doug Marrs		
Gary D. Creed		
John A. Muffo		
William H. Brown		
James D. Politis		

OUT OF CLOSED MEETING

On a motion by Mary W. Biggs, seconded by William H. Brown and carried unanimously,

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

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Mary W. Biggs	None	Annette S. Perkins
William H. Brown		
John A. Muffo		
Gary D. Creed		
Doug Marrs		
James D. Politis		

CERTIFICATION OF CLOSED MEETING

On a motion by Mary W. Biggs, seconded by William H. Brown 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
William H. Brown
John A. Muffo
Gary D. Creed
Doug Marrs
James D. Politis

NAYS

None

ABSENT DURING VOTE

Annette S. Perkins

ABSENT DURING MEETING

Annette S. Perkins

ADJOURNMENT

The Board adjourned to Monday, March 14, 2011.

The meeting adjourned at 7:50 p.m.

APPROVED: _____
James D. Politis
Chair

ATTEST: _____
F. Craig Meadows
County Administrator