

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF MONTGOMERY COUNTY, VIRGINIA HELD ON THE 1ST DAY OF APRIL, 2004 AT 7:15 P.M. IN THE BOARD CHAMBERS, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	James D. Politis	-Chairman
	Annette S. Perkins	-Vice Chair
	John A. Muffo	-Supervisors
	Gary D. Creed	
	Steve L. Spradlin	
	Doug Marrs	
	Mary W. Biggs	
	B. Clayton Goodman, III	-County Administrator
	L. Carol Edmonds	-Assistant County Administrator
	Martin M. McMahan	-County Attorney
	Robert Parker	-Public Information Officer
	Judy W. Kiser	-Assistant to the County Administrator

CALL TO ORDER AND PUBLIC HEARING – FY 2004-2005 PROPOSED BUDGET

The Chairman called the public hearing to order for the purpose of receiving citizens comments with regard to the Advertised FY 2004-2005 Budget in the amount of \$115,880,774. The Chairman provided a brief overview of the procedure by which the hearing would be conducted, explaining that speakers would be allowed five minutes each; and that a second public hearing would be conducted later in the evening with regard to the proposed tax rates for FY 2004-2005.

The Lyric Council, Inc.

Lindsay West, Chair of the Lyric Council, Inc. distributed copies of a letter thanking the Montgomery County Board of Supervisors for its contributions to the capital improvements at the Lyric Theatre. A slide ad thanking the Town, the County, and the Virginia Commission for their support runs twice before every movie showing.

Larry Lindsey, 2041 Twin Oaks, Pulaski. An employee of the Department of Social Services (DSS), Mr. Lindsey said he was speaking as representative for the Department of Social Services employees to give the Board of Supervisors an accurate explanation as to why they feel it is crucial that the county's FY 2004-05 budget include a pay increase for their staff. Social Services contributes much needed services and support to individuals that in turn positively affect the residents of Montgomery County. Over the past few years the gap between county employees compensation structure and the

DSS employees compensation structure has grown at a rate that does not accurately reflect the realm of expertise, knowledge and commitment that has come to be expected of the DSS staff. 16% of DSS employees meet, or fall below, the poverty level and qualify for the very services and benefits they administer to their clients on a routine basis. There is a misconception that each time the state provides salary increases that DSS employees are included. According to Mr. Lindsey that is not the case because DSS employees are not state employees. He asked that the Board consider taking action that would bring the salary scale of DSS employees more in line with the county's pay scale.

Ann Hess 70 Crescent Drive, Christiansburg. Chair of the Montgomery County Social Services Board, Ms. Hess asked that the Board recognize and respond to the critical need for additional funds for salaries for DSS employees. Ms. Hess explained that the Department of Social Services is unique in that it is both state and local. The bulk of the funds supporting the services is federal and state. They have the responsibility to determine who is or is not eligible for Medicaid, food stamps and Temporary Aid to Families, as well as to oversee the safety of the most vulnerable residents, children, the elderly, and disabled. The DSS does not have any financial flexibility to add staff and are limited to starting replacement hires at the bottom of pay scales independent of experience or education. Twenty four of sixty one employees have left the DSS over the past three years, and half of those who left cited the low salary as the primary reason. The DSS pay scale is 8% below that of the county. The county's budget document cited status as a county department as requirement to provide employees with equitable pay. Ms. Hess reported that the Social Services Board is ready to discuss a change. She went on to say that the DSS board is dedicated to serving the people of Montgomery County to the best of their ability, and are dedicated to compensating their staff fairly. The DSS strategic plan for local services and annual report are innovations to be accountable to the Board of Supervisors and to the citizens of Montgomery County.

William Bob Davis 1684 Union Valley Road, Riner, asked that the Board of Supervisors not increase the real estate tax rate. He reminded the Board of Supervisors that a recent reassessment resulted in an increase in the real estate taxes. A tax increase will hurt a lot of senior citizens and people with lower incomes who have seen little or no increase in their salaries. Although Mr. Davis believes that education should be a high priority, he does not believe that spending more on education necessarily means that students will be better educated. He sees waste in almost every government operation and suggested it is time to get creative and try to live within a budget. Mr. Davis conceives the need to realize that wages create a spiraling effect on taxes and the working poor. He asked that the Board clamp down on waste and delinquent taxes instead of increasing the tax rate.

Unidentified Gentleman spoke in opposition to the proposed increase in the real estate taxes. The gentleman said he is on social security, and the reassessment that was done recently resulted in an increase in his real estate taxes. He said the Board of Supervisors should not be allowed to make laws for the people. When the Board of Supervisors makes laws on the taxes, he compared it to him going to a bank to get a loan and putting the banker in jail because he wouldn't give him a loan.

Debbie Williams, Fincastle, Vice president of the western division of Goodwill Industries of the Valley (New River Valley Workshop), expressed her appreciation to the Board for the funds provided to Goodwill Industries last year, which provided 591 days of service provisions to their consumers. Presently there are sixteen residents of Montgomery County that are served by Goodwill Industries and

thirteen of those residents are funded by state funds. It is doubtful there will be an opportunity for those funds to be increased. The three remaining residents of Montgomery County are funded for service positions at Goodwill with funds from Montgomery County. Ms. Williams invited the Board to visit their facility in Radford and to experience and see first hand what those funding dollars afford the consumers who are impacted.

Bill Compton 2030 Simpson Road, Christiansburg, said the problem he has with the county's method of funding is that real estate tax rates are increased every time we need to increase our revenues. If people choose to live elsewhere, spend their money elsewhere and not invest in this county, it troubles him that these people come before the Board and ask for a tax increase. Mr. Compton said he has worked for the government and in law enforcement for more than forty years and has never seen the budget go down, or heard any innovative suggestions for different types of funding. With reassessment every few years that results in a real estate tax increase, we need to think about some different ways to raise revenue without increasing the real estate tax rate.

Frank Hubbard 1550 Turnberry Lane, Riner, said he sympathizes with the Board of Supervisors and the dilemma that is caused by the stalemate over the state budget. He expressed his confusion about the advertised 5¢ real estate tax increase. Mr. Hubbard calculates that to be a 7.8% increase, which he believes to be a little higher than you would expect with what's going on around the country. He asked if the budget includes both a merit increase system and cost of living increase for employees. He suggested the Board re-examine the need to provide both. While recognizing the need to increase taxes to meet the basic needs for the schools, he questions the wisdom of spending money to solve the problems in the end rather than dealing with problems in the beginning. He explained that if there are discipline problems in school, a student is sent to a special group and a teacher oversees them to make sure they do their home work, etc. Mr. Hubbard suggested it is time to hold people accountable for their responsibilities rather than spending more and more money in trying to address a problem.

There being no further speakers, the public hearing was closed.

PUBLIC HEARING-PROPOSED TAX RATES FOR FY 2004-2005

The Chairman called the public hearing to order for the purpose of receiving citizens comments with regard to the Advertised FY 2004-2005 Proposed Real Estate Tax Rate of 69¢ per \$100 of assessed value.

The following letter was received and included in the record:

“4565 Wayside Drive, S.E.
Christiansburg, VA 24073

March 23, 2004

Board of Supervisors
Christiansburg, VA

SUBJECT: REAL ESTATE TAXES

I oppose the suggested real estate tax increase. My husband is disabled and it is extremely hard for us even though I am working. An increase will make it even more difficult.

I wonder what happened to the promise the citizens were made a few years ago. When it was approved for **the malls** to go in, it was stated that the businesses would keep people from going to Roanoke and other places to shop and that would **keep our tax base here and keep the taxes lower. What happened to that promise?**

Close up the loop hole that lets Shelor and others move cars out of the county and collect from them what they owe! They are hurting every citizen in this county.

Sincerely,

(s) Beatrice R. Akers”

Kelly Roarke 122 Country Ridge Drive in Floyd, President of the Montgomery County Education Association, spoke in support of the proposed 5¢ increase in real estate taxes, and the school’s compensation plan for teachers. Ms. Roarke explained that the compensation plan for teachers would increase teacher salaries to the state average benchmark over a period of three years. As educators, Ms. Roarke said teachers are aware of the budget crisis in Richmond, and their message is the right budget, the senate budget, right now. She urged the Board of Supervisors to send a message to the citizens of Montgomery County that they do understand the importance of a tax rate increase, and continue to send a united message to our legislators in Richmond.

Mike Reilly 4606 Sidney Church Road in Riner, Compensation Chair for the Montgomery County Education Association, spoke in support of the proposed 5¢ real estate tax increase. He said every year there are two sides that are on opposite ends of the tax issue and neither side wants to listen to the other. While he realizes the need to prioritize spending, he is worried about keeping and attracting high quality teachers when salaries for beginning teachers rank 104th of 132 localities. Mr. Reilly made several suggestions on how to have a healthy and progressive county, including setting a reasonable tax rate and not backing up the rate with every reassessment; assure that everyone pays their equal share of taxes; possibly set a sliding tax scale or use some other creative ideas that would even the burden for our residents; and realize the state is not going to bail us out. He urged the Board to fully fund the school budget and their multi-year salary plan.

Rob Styne 4914 Juliet Lane in Riner, spoke in opposition to the proposed 5¢ increase in real estate taxes. Mr. Styne said he noticed the words on the county seal read “Freedom Increases Responsibility”. He suggested the words should be “Freedom to Spend Increases Our Responsibility to Pay”. He is opposed to raising the assessed property value every four years and increasing the tax rate every year or every other year.

Elizabeth Spitzer 8598 Newport Road, Catawba, a second grade teacher and vice president of the Montgomery County Education Association compared Montgomery County citizens to the story of the “Little Red Hen”. Everyone wants high-quality education, but no one want to have their taxes increased. Ms. Spitzer believes everyone needs to pay their equal share of all kinds of taxes, and back taxes need to be collected with penalties. She implied we may end up spending a lot more for all the community services we once thought were our right and never expected to become an invaluable commodity, if we aren’t willing to pay slightly higher taxes now.

Pat Martin 2140 Lonesome Dove Drive, Christiansburg, wanted to know if the citizens are being asked to pay higher real estate taxes because of the inability to regulate the car dealerships and prevent them from moving inventory out of the county to avoid paying merchants capital tax.

The Chairman explained that when this issue was taken to court, the Judge ruled it was not illegal for the dealerships to move their vehicles. He also pointed out that the Board of Supervisors has repeatedly requested the General Assembly to allow localities additional means by which to raise revenue.

William Bob Davis 1684 Union Valley Road in Riner, a site attendant at a consolidated collection site, estimates between 25 and 30 vehicles each week come to the collection site that do not display a county decal on their vehicle. Mr. Davis asked if there was any mechanism in place to enforce the county decal ordinance. Enforcement of this ordinance could help to fund the budget.

Supervisor Steve Spradlin explained that the Board is aware of this problem, but they do not want to put the site attendants in the position of “policing” the citizens. Supervisor Annette Perkins asked if there was some way to deal with this when personal property taxes are paid.

The County Administrator suggested the Board look at the total program and work out a plan where everyone works together for the common goal of collecting the highest percentage of taxes.

Ellen King 3326 Mud Pike, Christiansburg, spoke in opposition to the proposed 5¢ increase in real estate taxes. She stated that a new school does not mean the educational needs of the students are being met, that all our schools are not fully accredited. Ms. King recommended the school board be held accountable, and their budget not be increased until all the schools are fully accredited and the standards are up to date. As a state employee at both Radford University and Virginia Tech, she has seen a lot of waste in government, and with the uncertainty of the state budget, she asked that taxes not be increased at all.

Jerry Royal 1831 Hazlenut Road, spoke in opposition to the proposed 5¢ increase in real estate taxes, saying we are living in tough times right now. With jobs leaving the country at record speed, we need to live within our means. He asked the Board not to increase the real estate tax rate.

There being no further speakers, the public hearing was closed.

NEW BUSINESS

School Resource Officer Incentive Grant Program

Supervisor Biggs made a motion, seconded by Supervisor Perkins, to approve the proposed resolution authorizing the submission of the grant applications for the School Resource Officer Incentive Grant Program for FY 2004-05 to provide officers for the Christiansburg Middle School, Shawsville Middle School and Auburn Middle School.

Following discussion by the Board, on a motion by Annette S. Perkins, seconded by Steve L. Spradlin and carried unanimously, the resolution authorizing the submission of the grant applications for the School Resource Officer Incentive Grant Program for FY 2004-05 to provide officers for the Christiansburg Middle School, Shawsville Middle School and Auburn Middle School was **tabled** to April 12, 2004 pending additional information.

The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Annette S. Perkins	None
Steve L. Spradlin	
Gary D. Creed	
John A. Muffo	
Doug MARR	
Mary W. Biggs	
James D. Politis	

ADJOURNMENT

On a motion by Annette S. Perkins, seconded by Gary D. Creed and carried unanimously, the Board adjourned to April 12, 2004. The vote on the foregoing motion was as follows:

<u>AYE</u>	<u>NAY</u>
Annette S. Perkins	None
Gary D. Creed	
John A. Muffo	
Steve L. Spradlin	
Doug MARR	
Mary W. Biggs	
James D. Politis	

The meeting adjourned at 8:30 p.m.

