

VIRGINIA: AT THE SPECIAL MEETING OF THE DINWIDDIE COUNTY BOARD OF SUPERVISORS HELD AT THE DINWIDDIE COUNTY ENHANCEMENT CENTER, 7301 BOYDTON PLANK ROAD IN DINWIDDIE COUNTY, VIRGINIA, ON THE 17TH DAY OF MARCH AT 12:00 P.M.

BOARD OF SUPERVISORS PRESENT:

DONALD L. HARAWAY – CHAIR	ELECTION DISTRICT #2
HARRISON A. MOODY – VICE CHAIR	ELECTION DISTRICT #1
JOHN V. TALMAGE	ELECTION DISTRICT #3
MICHAEL W. STONE	ELECTION DISTRICT #5
DORETHA E. MOODY	ELECTION DISTRICT #4

ADMINISTRATION

PRESENT: W. KEVIN MASSENGILL, COUNTY ADMINISTRATOR
ANNE HOWERTON, DIVISION CHIEF OF FINANCE & GENERAL SERVICES
JOHN C. BLAIR II, COUNTY ATTORNEY

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1. ROLL CALL

The Chairman of the Board of Supervisors called the meeting to order at 12:00 p.m., followed by the roll call.

PRESENT: Mr. Stone
Mr. Talmage
Ms. Moody
Mr. Moody
Mr. Haraway

2. TAX RATE / BUDGET WORKSHOP

W. Kevin Massengill, County Administrator, discussed the time line for the remainder of the FY10 budget. He stated that the Board of Supervisors will give staff direction as to the advertised tax rate. On Monday, March 23rd, the County and Schools Administration will meet regarding the stimulus impact on the Schools, and discuss shared services. March 31, 2009 is the last day of Board of Equalization hearings. April 21, 2009 at 7:00 p.m. at Dinwiddie County High School Auditorium the Board will hold the public hearing for the tax rate. He stated that after the tax rate has been voted upon, that another budget meeting needs to be held in conjunction with the School Board on Wednesday, April 22nd. May 5, 2009 is the scheduled date for the public hearing for the FY10 Budget, and May 19th it will be voted on by the Board.

Mr. Massengill discussed the Efficiency Review Report that was conducted in late January. The efficiency review team (ERT) consisted of the three division chiefs, the director of information technology, and staff support from the human resources director. He stated that budget shortfalls from identified revenue streams prompted this review. Mr. Massengill and the County Attorney conducted the review of the three division chiefs. Last Monday a closed meeting was held with the Board of Supervisors regarding reductions. The areas of finance, technology and staffing were reviewed.

Non-staff reductions included cutting back on travel and training; operational capital; I.T. projects; and renegotiation of the contract with Piedmont Regional Jail for \$32.00 per day until the regional jail opens in 2012.

Telecommunications reductions included cell phones and *Blackberries* being assigned only on a very limited basis as determined by the County Administrator. Mr. Massengill is now using his personal cell phone.

The Recreation Department hours of operation will be structured around the times when the public is most frequently using the facility.

Regarding staff reductions, Mr. Massengill stated that was one of the most difficult decisions that had to be made. The reductions were not based on performance, but rather on workflow and production. Building Inspections had previously been adequately staffed; however, the review indicated that overall inspections were down 44%. This resulted in the

elimination of one building inspector and one administrative support position. The Planning Department was restructured and the senior planning position was reclassified to a zoning administrator. The Planner 1 position was eliminated and program support will pick up additional responsibility. In Comprehensive Services the VJCCCA coordinator position was moved to a part time position. In the Recreation Department one program coordinator position was eliminated (the County is striving to save programs). Economic Development was budgeted for two positions; however, the marketing associate position was recently vacated and will remain unfilled. In Finance the accounts payable clerk position was recently vacated and will remain unfilled. That function was shifted to be included with payroll duties. The efficiency review recommended that the human resources director position should report directly to the County Administrator. The housekeeping function is under consideration for privatization. The maintenance supervisor will pick up financial duties. The I.T. director has been extremely successful in acquiring grants, and there are technology recommendations across departments. Therefore, that department will retain its current staff. Public Safety is a priority for the County, and no positions were eliminated. There are two dispatch positions that were vacated and will remain unfilled through 2010. The Commissioner of the Revenue had a position for proration that will remain unfilled. Mr. Massengill added that constitutional officers have many statutory duties that make staff reductions difficult.

Mr. Massengill stated that there is a proposed 3% across the board salary reduction for FY10. Also, it looks as though there will be an 8% increase in health insurance that will be passed to the employees.

The budget work papers were distributed and discussed. There was discussion regarding the proposed tax rate. Mr. Massengill stated that there would not be a County Administrator or County staff tax rate recommendation. He stated that this is a policy decision on which County staff is dedicated to giving the Board all the information that is needed in order to make the decision. He stated they would show the costs, benefits, and what would potentially go away depending on the decided upon rate. The rate the Board will decide on will have a potential affect on the next several years' capital improvement projects. He stated that whatever the tax rate is advertised as will be the highest rate the Board will be able to set. He said the expenditures in the proposed budget are for the most part level funding and below. He stated that what was before the Board was a preliminary expenditure budget. There are still potential effects to the revenue portion regarding the Board of Equalization changes, etc. He stated that everyone should be aware that all material presented at this meeting is a draft.

He stated that last year the Board had requested that Staff not budget the full effect of the reassessment, and they had done that. There was discussion regarding the material that had been presented that showed revenue streams in the county comparing the tax rate at \$.68/100; \$.70/100; \$.75/100 and \$.77/100. Mr. Massengill stated that the County is not recognizing the same collection rate as in the past. The decrease in Transfer from General Fund to the CIP Fund:

@.68/100 tax rate = \$1,522,967
@.70/100 tax rate = \$1,328,779
@.75/100 tax rate = \$ 843,309
@.77/100 tax rate = \$ 649,122

Mr. Haraway asked if the Circuit Court made the decision that the Board of Equalization has the authority to throw out the 2009 assessment, and the County had advertised one of the four rates that had been shown, would the current \$.87 rate be effective? He asked whether the Board of Supervisors would be able to change that at that time.

John C. Blair II, County Administrator, stated that if the Court ruled that way then the County would ask the Court for guidance based on the fact that the County proceeded under the reassessed values.

Mr. Massengill stated that the County Treasurer needs the tax rate established in order to mail out the tax tickets in a timely manner.

Mr. Stone asked if a higher rate could be advertised, and then readvertised at a lower rate according to the Court's decision.

Mr. Moody asked the legal date by which the tax rate must be adopted.

The answer was that it has to be adopted by June 30th. There has to be a minimum of 14 postmarked days for the tax payers to receive the bill and pay the bill.

Mr. Jones, Dinwiddie County Treasurer, stated that in the past the County has extended the due date if there were processing issues. However, it has not been changed because of a budget situation. He added that it would take an ordinance date adopted by the Board of Supervisors in order to move it to another date (this has been done in the past for an emergency situation). All ordinances require a public hearing. There is a 30 day advertising requirement regarding the public hearing for the tax rate.

Mr. Haraway stated that he wondered whether the County was backing itself into a corner to advertise a rate of \$.68 to \$.77. He said if that rate was advertised and then the Judge made the determination that the 2009 reassessment could be thrown out, the County would not be able to throw out that assessment because the correct tax rate had not been advertised.

John Blair II, County Attorney, stated that it is unprecedented in Virginia for a reassessment to be voided by the Board of Equalization, or by the Board of Equalization petition to the Circuit Court. He said the County would need guidance from the Court in that instance.

Mr. Massengill stated that since this is an unprecedented case, the County would be "behind the eight ball" if the case was dismissed and the tax rate had not been advertised.

There was discussion regarding revenues, expenditures; the Capital Improvement Projects; and debt payments. Mr. Massengill stated that there are not many outside agencies that are receiving level funding under the proposed budget. Most are receiving less. School stimulus funding was discussed, and the fact that those funds will go away in a couple of years.

W. Kevin Massengill, County Administrator, asked for discussion among the Board for direction as to the amount the Board of Supervisors wanted to advertise the proposed tax rate.

After a five minute recess, Donald L. Haraway, Chairman of the Board, called the meeting back to order and asked each Board member to give their comments regarding the proposed tax rate.

Harrison A. Moody stated that the current times are tough and he is concerned that there will continue to be several years of tough times. He expressed appreciation to County staff for the work they had done in preparing the detailed package that had been presented at this meeting. He stated that he would like to see the tax rate reduced to \$.68/100. He said that with the current reassessment, \$.68/100 would mean a 12% increase. He said that in these difficult economic times the land owners and property owners were getting hit with a lot of other things; some are without work; and it is tough times for everyone. He said the County would have to tighten its belt for a couple of years and see what the \$.68 does. He said he felt the County has some good people on staff that are doing a great job, and that Sheriff and EMS are fully staffed. He said the County has the economic development staff who can continue to try to get more tax revenue into the county by bringing in new jobs and helping the businesses who are already in the county.

John V. Talmage also thanked the staff for the work they had done on the package. He said he did not want to see something that would hurt the tax payers of this county. He said, however, he did believe that the County cannot go much past \$.75/100 or \$.76/100 for the proposed tax rate without affecting essential services (such as Fire, EMS and the Sheriff's Office). He said that in his opinion at this point in time, the County has one of the best set ups that the County has had in years regarding the essential services.

Michael W. Stone stated that in looking at the package that had been presented, if the Board was to consider the \$.68 proposed tax rate the County would be fine in FY09/10. However, he stated that the Board had already heard from Mr. Massengill and Ms. Howerton that the School stimulus money is at best a one to two year fix for the School system. He stated that if the Board approves \$.68 then one year from now the County will be right back to the same situation as this year – with a \$2.6 million shortfall. He added that is only if this Board is interested in keeping the bond rating it has currently. He said he assumed the Board was interested in keeping that bond rating; and that he personally was. He said a lot of work had been done to make sure the County possesses that bond rating. Mr. Stone said that at \$.68 with \$2.6 million, as the efficiency review indicated, the County would have to cut drastically into the Sheriff's Office; paid EMS; safety apparatus; purchasing for Fire and EMS would stop; and the

School system would be cut substantially (potentially double cuts because if the stimulus funding goes away and the County has a shortfall there is no where else to obtain the funding). Mr. Stone stated that in the C.I.P. there is no project with the exception of setting aside \$1 million for the proposed budget. He said that one year from now this Board is already obligated to two projects in FY10/11 – the \$17 million jail and the \$6.4 million South Central Wastewater Authority. He asked where that money would come from if the Board chooses a \$.68 proposed tax rate. Mr. Stone stated that he would like to cut the tax rate down to \$.32 if it was possible. He said, however, the Board has an economic development priority to stay proactive. He said he equates those two items (the regional jail and the South Central Wastewater Authority obligation) just like he did several years ago with the two new schools. He said it is up to the County to put money aside right now for when those obligations come due. He added that in FY10/11 the County has \$23 million obligations to fulfill, and the County has to make sure it sticks to its commitments; and the course it decided upon at the Board Advance in the Fall of 2008; as well as the decisions that were made collectively as a Board since 2004. Mr. Stone stated that he would be in favor of going no less than \$.75. He said he would prefer \$.77 which was the rate when he came on the Board in 2003.

Doretha E. Moody said that she would try not to repeat anything else that anyone had said. She stated that she was in favor of \$.77/100 because that was the tax rate when she came on the Board. She added that she thought it would going backwards for the County to go lower.

Donald L. Haraway stated that he thought Dinwiddie County is in the worst economic times it has ever been. He said that if there was ever a time when the tax payer needed help, it's today. He stated that as far as maintaining the bond rating, he thought that this year and next year a lot of localities will go lower than the 15% threshold. He said he thought the bond rating agencies expect localities to go below the 15% in the current economic downturn. Mr. Haraway stated that he was in favor of \$.68/100 for the proposed tax rate because people are losing their jobs and their homes. He said that he thought that if the County adopted a rate of \$.75 it will drive people out of Dinwiddie County – people who have been here a lifetime. He said that \$.68 is a 12% increase. He said the consumer price index has increased over the last four years at about 3% per year. He stated that a County should be able to adjust its budget to what the consumer price index does. He added that he thought Administration had done an excellent job in reducing expenses over the last three months and for next year. He said he was optimistic that a lot of the programs that the federal government has put into place will turn the economy around. He said he was hoping that this time next year the country will be in a different situation, and that people will be able to be in a position to pay more taxes. Mr. Haraway stated that he was in favor of \$.68.

Mr. Moody reiterated that the citizens are in tough times and they deserve a lower rate. He said that saying \$.77 was what the rate was when first coming on the Board is not saying the taxpayers are paying the same. He said they are paying quite a bit more. He said he thought the Board owes it to the citizens to try to keep the rate at \$.68 this year, and see how the economy fairs this year. Next year when it comes about, perhaps a higher rate can be put in place in order to do all the projects the County needs to do. Mr. Moody pled with the other Board members that the rate needed to be kept at \$.68.

Mr. Stone stated that he agreed that everyone was in a tough economic spot. He stated that he, Ms. Moody and Mr. Talmage had come on this board not knowing the deciding votes of the decisions, but that this Board and this County is still paying on the debt for the Courthouse and the last round of school renovations. He said that everyone sitting on the current Board (with the exception of Mr. Talmage because he was not on the Board at the time) had voted for the new schools and knew that debt service was coming due, and that the County was responsible for that debt. He said to push it back by decreasing the tax rate to \$.68 is tantamount to doing the same thing that all of the high-finance firms have done, and the American consumer has done, to put the nation in the situation it is today. He said that you can't push off your responsibilities and expect your children and grandchildren to pick them up. Mr. Stone stressed that this sitting Board voted for those projects and no one neither abstained nor voted in opposition. He stated that it is now time to pay for what was voted for.

As there was no further discussion, the Chair called for a motion.

Mr. Moody presented a motion for the proposed tax rate to be advertised at \$.68.

The motion was not seconded. As Chairman, Mr. Haraway called for a vote.

Upon motion of Mr. Moody, with no second, and the Chair calling for a vote,

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that the proposed tax rate be advertised at \$.68; and the actual tax rate be set at the April Board of Supervisors meeting.

Aye: Mr. Moody, Mr. Haraway
Nay: Mr. Talmage, Ms. Moody, Mr. Stone

The motion was defeated 3 to 2.

Upon motion of Mr. Talmage, seconded by Ms. Moody,

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that the proposed tax rate be advertised at \$.77; and the actual tax rate be set at the April Board of Supervisors meeting.

Ayes: Mr. Stone, Mr. Talmage, Ms. Moody
Nays: Mr. Moody, Mr. Haraway

The proposed tax rate will be advertised at \$.77/100.

ADJOURNMENT

Upon motion of Mr. Stone to recess until 3:00 p.m., seconded by Ms. Moody,

Ayes: Mr. Talmage, Ms. Moody, Mr. Stone, Mr. Moody, Mr. Haraway
Nays: None

The meeting was recessed at 2:20 p.m. to be reconvened at 3:00 p.m. for the regular meeting.

Donald L. Haraway, Chairman

ATTEST: _____
W. Kevin Massengill
County Administrator
Clerk to the Board

/wjn