

FLUVANNA COUNTY BOARD OF SUPERVISORS
WORK SESSION MINUTES
Circuit Courtroom
Fluvanna Courts Building
March 9th 2011
7:00 p.m.

MEMBERS PRESENT: John Y. Gooch, Chairman
Shaun Kenney, Vice Chairman
Chris Fairchild
Joe Chesser
Mozell H. Booker

MEMBERS ABSENT: Donald W. Weaver

ALSO PRESENT: Jay Scudder, County Administrator
Renee Hoover, Finance Director
Crystal Besecker, Budget Analyst
Mary L. Weaver, Clerk, Board of Supervisors

CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Chairman Gooch called the FY12 Budget work session of March 9th, 2011, to order at 7:00 p.m., in the Circuit Courtroom, Fluvanna Courts Building, Palmyra, Virginia; and the Pledge of Allegiance was recited, after which Chairman Gooch called for a moment of silence.

PRESENTATION

Ms. Besecker, Budget Analyst, began the Power Point presentation with the legislative updates.

Ms. Booker asked about the Social Services

Ms. Besecker then moved forward to discuss the proposed operational revenue based on a \$.584 Real Estate Tax Rate, with a 95% collection rate and a \$3.85 Personal Property Tax Rate, with a 91% collection rate. Mr. Scudder interjected to point out the FY11 budget was based on 97% collection rates which was not representative of the true collection rates.

Mr. Chesser asked who sets the tax rates and collection rates.

Ms. Besecker moved forward with the slide showing the difference between the \$.54 rate and a \$.58 rate. She then proceeded to the Operating Expenditures. Then she discussed the Capital Improvements Plan, followed by the Enterprise funds slide. Mr. Gooch asked for clarification that the utility fund is the county's sewer fund, not the Fork Union Sanitation District.

Regarding Program Expansion slide items that have NOT been included in the budget, Mr. Chesser asked for clarification of the HVAC request. Mr. Scudder responded stating that the request is for an HVAC technician. Mr. Nuckols is doing a cost benefit analysis, utilizing our current contractual costs, and, so far, the numbers are close but do lean towards having our own in house service person. We are hanging on to this one to study it a bit more before making a decision.

Ms. Besecker returned to the presentation with the Debt Service slide. In FY12, 15 cents is dedicated to debt service. By the year 2014, the full freight of the High School debt service comes on board and we level out. To reach this accommodation will require an additional 7 pennies on the real estate tax rate or a 65 cent rate.

Mr. Chesser asked "how do we budget for the rising fuel costs?" Mr. Scudder provided the Sheriff's department as an example; the line item for fuel costs was budgeted in the high 60's; the actual costs were around \$85k. For FY12, we budgeted \$95k, which with the recent fuel increases is probably not enough. By going back to the historical actual costs we estimate the future costs.

Ms. Besecker returned to the presentation and addressed the slide showing the impact of tax rate increases to the homeowner. Ms. Besecker proceeded to the slides addressing the 5-year forecast presentation and the subsequent discussion.

Mr. Kenney asked if Mr. Scudder or Ms. Besecker could explain the statement on the slide that shows the equalized Real Estate tax rate in 2013 of 73 cents. Mr. Scudder responded “if your real estate values are off 20% to begin with” . . . Mr. Kenney stated so that’s an adjustment for the reassessment reduction’. The conversation from there vetted the fact that 20% is probably not realistic and may be closer to 40 or 50%.

Ms. Besecker returned to the presentation showing the impact of a 70 or 75 cent tax rate increase on the homeowner.

Ms. Besecker then wrapped up the presentation, stating that we will meet again on March 16th, when the Board must determine the advertised tax rates.

Mr. Chesser asked if we were going to address the \$3 million dollar cuts. Mr. Kenney pointed out that the information has been prepared for the county side, but the school information is not included, because the superintendent has not yet responded.

At this point, Ms. Besecker queued up the 3 Million Dollar Cut presentation and proceeded with relaying the information.

DISCUSSION

Mr. Gooch asked if anyone had any questions. There was some discussion about the 3 Million Dollar Cut presentation and about the debt service and required tax rate increase required to fully fund the costs. There was also discussion of the schools funding and the cuts absorbed last year.

ADJOURN

There being no further business, Chairman Gooch adjourned the Board of Supervisors Budget Work Session of March 9th, 2011 at 8:06 p.m.

John Y. Gooch, Chairman