

VIRGINIA:

A meeting of the Lancaster County Board of Supervisors was held in the Courthouse of said County on Thursday, June 22, 2000.

Present: B. Wally Beauchamp, Chairman
F. W. Jenkins, Jr., Vice Chairman
Donald O. Conaway, Board Member
Patrick G. Frere, Board Member
Cundiff H. Simmons, Board Member
William H. Pennell, Jr., County Administrator

Others

Present: Press

Mr. Beauchamp called the meeting to order at 7:00 PM.

BUDGET PUBLIC HEARING

Mr. Pennell provided the board members with the most current edition of the FY 2000-2001 County Budget, which contained some minor changes not involving local money. The board members were also provided with the revenues through the end of May 2000.

Bernard Nadel said he owns an empty building in White Stone. His taxes are higher than if he lived there. He feels the highways do not need to be paved every year as they are in Lancaster County. In all the places he has been he has never seen so much infrastructure.

Mr. Beauchamp said this board has no control over resurfacing. That is done by the state.

Mr. Nadel said the wrong people are being taxed. He couldn't rent his building for five years and still had to maintain it. He thinks the people that benefit from the taxes should bear the burden for paying those taxes. A person with six kids who sit in air-conditioned castles of learning and getting free lunches pay the same taxes as those of us who have no children. Why do you need an 18% increase to make up for 3.9%? We are paying extra taxes on waterfront homes because of the location factor. The money is going to the wrong places. There is something wrong with an 18% increase in one year on top of a reassessment. It is not fair to the people of this county.

Jamie Carter asked how much of the increase in the school budget is for salaries.

Mr. Pennell said about 80% of the increase is for salaries.

Diane Ryan, Director of the Goal Program, said four years ago she asked for the backing of Board of Supervisors, and was given \$2,500. Since then she has asked each year and has gotten nothing. This year she figured out that if Goal got the \$10,000 she

requested it would be .086% and .052% of the entire budget. They are accountable and have proved it. She asked that the board please reconsider her request.

Frank Smith asked if it is true that the spending increase is directly related to the tax increase. 90% of those here believe that an 18% increase is unacceptable. The spending plan approved by a majority of the supervisors has to be reduced. If the proposed tax rate is not reduced you will find voters voting in conservative supervisors who will keep the tax rate and spending down.

William Ryan asked if the schools operating budget approved is \$11,672,000, what was it last year, and what reflects the need for that change?

Mr. Pennell said the school board made a presentation to the Board of Supervisors, who approved a \$480,000 increase over the \$11,002,000 budget for FY 1999-2000.

Mr. Ryan said he has served on a school board in New York and school boards always ask for increases. The fact that they ask for it does not mean anything. Do you ever think what they are turning out? Shouldn't you ask them to justify that increase? The end product they are turning out is not doing it.

Mr. Beauchamp said those questions were asked by every member of this board.

Mr. Ryan said in the overall budget, the school board accounts for 65%. That is a very large percentage of tax dollars going to schools. There are many other counties around that are considerably less. One of the places we need to look at is the 65% of our dollars and how they are being spent.

Fred Ajootian said he feels this is a good budget, and a tax increase has probably been in order for several years now. It is not an exorbitant tax increase. As far as the school budget is concerned, it is a problem of accountability. There are tremendous problems with discipline. He has hired several graduates from the school system and most of them are barely literate. He thinks it will be easier to get budgets passed in the future if we develop some kind of accountability with the school board.

Mr. Jenkins said there is a system of accountability, but it is not exercised. It is elected school boards. The citizens must demand that their school board member is accountable. He doubts that very many people here have ever attended a school board meeting.

Diane Ryan said that when the chairman of the school board can vote for a raise for herself, there is something wrong.

Cameron Blanford said the tax increase and how it is expended needs to be looked at and we should be more involved with the planning processes and documents over the next several years. That is something that we as a paying public need to have a full understanding of; working toward some strategic plan. Maybe we have not kept up with

the increases in taxes, but the absorption of a tax increase and reassessment really gives him no confidence that we will not have another 15% or 18% increase in the future. What is our projection of our needs?

Jim Vick said it is his understanding that those living in house trailers can get their car tags even if their taxes are not paid. If that is true, something needs to be done. Why do you need an 18% increase to make up for a 3.9% deficit?

Mr. Jenkins said that if taxes are paid on personal property you can get your car tags. If a trailer is on a permanent foundation it is taxed as real estate.

Mr. Pennell said Lancaster County's tax collection rate is extremely high.

Jan Fadeley said she objected to an 18% increase when inflation is only 4%. Good planning and management should require less of a fund balance. She also asked about what was included in the non-departmental category.

Mr. Pennell said that includes capital projects such as the Tri-County Landfill and the 911 system.

Glenn Cockrell asked the board to keep the 51¢ tax rate and consider incremental increases in future years.

Joan Baylor asked what assurances the county can offer that taxes would not continue to increase at large increments year after year.

Mr. Jenkins said that placing proper controls on spending, the proposed tax rate could be reduced and an appropriate fund balance maintained. However, no one can accurately estimate unforeseen expenditures. One burden placed on the county by the state is unfunded mandates under the Comprehensive Services Act. Under this Act, the county is required to pick up 43% to 48% of the cost for school-age children requiring special education, residential treatment and other services. There is no way to predict how many children will be placed in the program.

Mr. Beauchamp said that this year the county is paying approximately \$350,000 to house and educate three children under that program.

With no further comment, the public hearing was closed.

CY 2000 TAX LEVY

Mr. Pennell provided information to the board members on the amount of the fund balance at different tax rates starting at 51 cents and going to 57 cents.

Robert Smart said he has lived in two other municipalities when reassessments were done. This is the first time he has seen a tax reassessment and tax increase in same year. This is a lack of long term planning. Perhaps we could ramp up instead of going immediately to 57 cents. The board could keep it at 51 cents and then raise it next year to

52 and the following year to 53. If the money is in the fund balance it will be spent. We all have to live within a budget and our government should do the same. This throws the budget of every member of this county in disarray. He thinks 18% is excessive. You can increase the tax base this year and then increase the tax rate next year. It should not be a lump sum increase because it is a hardship on citizens.

Dave Bissett asked if the deficit in the fund balance just occurred in the past year or has it been coming over the past few years.

Mr. Jenkins said our revenues have not been quite as good as they have been in the past. We are not having the growth we expected. We had a deficit several years ago and built it back up in four years.

Mr. Bissett said you could amortize it over a four-year period and have a three to five year plan.

Mr. Pennell said we do have a perception of how much construction revenue will be. Last year we had \$31 million in construction, which results in \$158,000 in additional tax revenues if the entire construction value is added to the assessed value of the property.

Mr. Bissett asked if there is a requirement to maintain a certain fund balance.

Mr. Beauchamp said the county auditor strongly urges as much as a 15% reserve. We do not have a mandate.

Jamie Carter said his feeling is shock when reading what his tax rate increase is going to be. He has an 83 year-old father on a fixed income who lives in this county. He, himself, volunteers for meals on wheels, and when he looks at some of the citizens who have outside johns and roofs falling off; all they have is their homes. How are those people going to handle an 18% tax increase? Many of us operate on a budget. He is halfway through his personal budget, and now has an 18% increase and does not have a full year to work on that 18%. If we have a problem we need to have a long-term plan.

Jim Vick asked how many of us have actually been to the schools. We have good and bad kids in school. The biggest problem is the high school. If we don't get some teachers in the high school that will stay, we will continue to have the same problems. We need money in school system. We will not get good teachers if we do not pay them. Until we start getting good teachers you will not have good schools. The School Board has their hands full too.

Janet Fadeley said her strong opinion is that the proposed tax levy is excessive. She accepted the November 1999 reassessment at 5.7%, but can not accept a tax increase of 18%. She had three suggestions. First, the rate increase should be in increments annually. Second, the personal property, machinery and tools and merchants capital

taxes should also be increased. Her plea to this board is to try again; there has to be a more equitable way.

Mr. Bissett said his only concern is will this be it, will we be able to achieve the objectives of the community and have confidence that next year we will not see an unacceptable tax rate.

Frank Smith said the incremental concept is a red herring. It hides the spending increase that has caused this problem. You have already spent half of the reserve fund. This will not solve the problem. You have got to reduce the spending.

Joan Baylor said that assuming you increase the fund balance and end the year at goal, what happens the following year. Will we have an additional increase?

Mr. Pennell said the difficulty is that the money has been spent down for operational expenses. Those expenses remain the same. The fund balance went down by half last year and went down again this year.

Mrs. Baylor said you would be using this to increase the fund balance.

Mr. Pennell said it would be used to keep the fund balance where it was. It is to hold the line on the fund balance.

Mrs. Baylor said the attempt then is not to increase fund balance, but to keep where it was.

Mr. Simmons said he wished all of those present tonight had been at the school budget hearing. We are giving a half million dollars or more in increased funding each year. The total funding is \$7,659 for each student. York County spends \$6,600 per student per year. The money is there, but they keep asking for more and more.

Mr. Smart said he is concerned by the catch 22 situation that makes it impossible to do long term planning. State and federal funding is down yet the state is dictating things we have to do.

Diane Ryan said there are children who have serious needs. If we taught children properly from kindergarten we would not have to have summer school. There are 22 teachers for summer school this year. There are volunteers who help students with reading. There are also children not being identified as dyslexic until they are nine or ten years old. We need to do something about that.

Fred Ajootian said he is in support of the proposed tax increase. The reason we have an apparent 18% increase is because we have gone for so many years without an increase. He believes pennies are watched very closely and not too much gets by. Perhaps it has been watched too closely; maybe we should have increased it in increments over the past few years.

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

Mr. Conaway said he has been listening to all of the pros and cons. He can remember when this issue first came up Mr. Frere presented a solution to the problem and he agreed. This percentage should be incrementally passed on to our citizens. 18% may not mean much to some people. But, he knew what the impact would be on the taxpayer. 18% is 18%. In listening to all comments he would have to say that he disagrees with comments on the school system. He went to these schools and we have the best teachers you can get for what you pay them. If you want quality teachers, you need to pay for them. While we certainly need a tax increase, he disagrees with 18% in one year. It is an injustice to a lot of people. It is a very heavy burden on a lot of folks in District 2. Even though it looks good on paper it will really hurt that person on a fixed income or seasonal workers. We have cut school and county budgets down to a minimum and then want to raise taxes 18%.

Mr. Jenkins said he would like to take another look at the expense budget. He suggested having another work session. It is unfortunate that we have the need for funds in addition to the reassessment. You can not spend on one end and not fund on the other end.

Motion was made by Mr. Jenkins to schedule a work session on June 27 at 6:00 p.m. VOTE: 5 – 0 Aye.

Mr. Pennell explained that the board would not be making a decision tonight. This board cannot take any action for seven days following public hearing. But the budget has to be adopted by the end of June. The tax levies proposed are as follows:

Real Estate - \$0.57 per \$100 of assessed value
Personal Property - \$1.52 per \$100 of assessed value
Machinery and tools - \$1.52 per \$100 of assessed value
Merchants capital – \$1.00 per \$100 of assessed value

Mr. Simmons said we do not have time now to increase the personal property, machinery and tool or merchants capital taxes because we do not have enough time to advertise and hold a public hearing.

Cameron Blanford asked if there is a comparison chart that he might look at to see if they are comparable in order to provide us with some confidence.

COUNTY ADMINISTRATOR REPORT

Hills Quarter Industrial Development Authority – Mr. Pennell said the appraisal expected on June 29th is not complete. The board can expect it in July.

No action taken.

July 4 Holiday – Mr. Pennell said that all state offices in the courthouse will be closed on Monday, July 3 and Tuesday, July 4. Richmond and Westmoreland county offices will also be closed. Northumberland County had not made a decision as yet.

Mr. Simmons asked if there were some way the building inspections can get done if county offices are closed.

Mr. Pennell said that could be done.

Motion was made by Mr. Conaway to close county offices on July 3 and July 4.
VOTE: 5 – 0 Aye

APPOINTMENTS

Social Services Board – Motion was made by Mr. Conaway to appoint Berry O. Waddy to serve on the Social Services Board for a four-year term ending June 30, 2004.
VOTE: 5 – 0 Aye.

Social Services Board – Motion was made by Mr. Beauchamp to appoint Katherine Chase to the Social Services Board for a four-year term ending June 30, 2004.
VOTE: 5 – 0 Aye.

ADJOURNMENT

Motion was made by Mr. Conaway to adjourn the meeting until June 27 at 6:00 p.m. for a budget work session. VOTE: 5 – 0 Aye.