

VIRGINIA:

A meeting of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, June 22, 2017.

Members Present: William R. Lee, Chair
F. W. Jenkins, Jr., Board Member
Jason D. Bellows, Board Member
B. Wally Beauchamp, Board Member

Staff Present: Frank A. Pleva, County Administrator
Don G. Gill, Planning and Land Use Director
Bonnie Dickson, County Treasurer
Crystal Whay, Building/Land Use Secretary

Mr. Lee called the meeting to order at 7:00 p.m. He stated that Mr. Palin was absent due to a scheduling conflict.

PUBLIC HEARING

1. Proposed FY 18 Lancaster County Budget with Capital Improvements

Mr. Lee asked Mr. Pleva to present the issue.

Mr. Pleva stated that the public hearing was being conducted in accordance with Section 15.2-2506 of the Code of Virginia, 1950, as amended. He stated that the school portion of the budget was adopted and appropriated on April 27, 2017. He stated that following tonight's public hearing, the governing body must wait at least seven days before it considers adoption of the budget, with or without modifications. He explained the revenues and expenditures in detail.

Mr. Lee opened the public hearing.

Mr. Jack Larson, a District 1 citizen, stated that the County was required by law to have a balanced budget. He stated that, in 2007, the fund balance was \$434,000. He stated that a fund balance is needed when something unexpected or uncontrolled comes up. He stated that by June 2012, the fund balance was up to \$5.5 million. He stated that expenditures were closely watched and funds that were not being used in other accounts

were transferred to the general fund. He stated that something has happened since 2012. He stated that expenses were going up and taxes were not being raised, so the fund balance has been relied on to make up the difference. He stated that the current budget is broken. He stated that if the Board doesn't do anything, there is a projected two million dollar shortfall between revenues and expenditures.

Mr. Larson stated that the elimination of the boat tax shifted that burden to real property. He stated that two to three cents of what is being proposed is a result of the bad decision to eliminate the boat tax. He stated that the Board has been advised by the Treasurer that it would take an eight cent increase to stop the problem. He stated that they only advertised a five cent increase. He stated that they needed to make a combination of tax increases or cuts in the amount of two million dollars. He stated that if that was not done, they were simply passing it on to the next board.

Mr. Larson referred to the school board budget and stated that the budget actually showed a decrease in costs and he gave them credit for the job they did. He stated that they are doing more with less and that's what the other departments need to do as well. He stated that the core functions of local government, in his opinion, were to keep citizens safe and educate the children. He stated that anything else would be fair game for cuts. He asked the Board to think about their legacy.

Mr. Howard Kyzer, a District 3 citizen, stated that he wanted to speak for the working people and people on fixed incomes and against another tax increase. He stated that the tax base is not growing and there is a shrinking population in the County. He stated that he did not see anything down the road that would change the situation like light industry. He stated that the only thing the County can go after for revenue is people's homes.

Mr. Kyzer stated that he thought the elimination of the boat tax was a good idea and had helped the County's economy. He stated that he thought it should be advertised more.

Mr. Kyzer referred to the proposed EMS/EOC building and stated that, in comparison, the White Stone Volunteer Fire Department is building a new facility that will house six fire trucks, have a meeting room, training room, trophy room, full kitchen, offices and restrooms and is estimated to cost \$1.5 million for a 12,500 square foot building. He stated that the EMS/EOC building is being proposed for \$3 million for a 9500 square foot building. He stated that there are already buildings in the County for an Emergency Operations Center and they did not need to build the Taj Mahal.

Mrs. Joan Gravatt, a District 4 citizen, stated that she wanted to thank the Board members for their hard work and service to the County. She stated that she was concerned and confused. She stated that when the School Board requested a 1-cent tax increase for 2018, they were told that it was not appropriate at the present time because it might not be needed to fund the school project. She stated that she left that meeting thinking they were in good financial shape to proceed with the much needed new schools.

She stated that they are at the point where a parcel will need to be selected and interviews and screening conducted for an architectural firm. She asked if there were funds for what is being planned. She stated that in order to submit an application for a USDA loan, they must already have a property that passes USDA requirements.

Mrs. Gravatt restated that she was confused. She stated that she had been told by a Board member that the EMS/EOC building was already appropriated and would not affect the school's project. She stated that they had been told that once the courthouse was paid off, the schools were next. She asked if that was still the case. She asked if any of the proposed tax increase would go toward moving ahead on the school project.

Dr. Robert Westbrook, a District 5 citizen, stated that for the past three years, the School Board and the Board of Supervisors have enjoyed a better relationship than in the past. He stated that the School Board's expectation has been that the Board of Supervisors would give honest consideration to assisting with long overdue, twenty-first century learning opportunities for the children. He stated that the Board of Supervisors has tasked the School Board with initiating the USDA loan application, knowing that they have no statutory authority to guarantee the expenses necessary for that application. He stated that those expenses will include purchase of the land selected, payment of the studies and tests required and architectural design fees.

Dr. Westbrook stated that he had been reading the Virginia County Supervisors' manual, which reports that budgeting for the ensuing fiscal year usually begins early in January and planning for the ensuing fiscal year begins as soon as the current budget is approved. He stated that when he came to the Board on April 27th with a request for a one-cent tax increase on real property for fiscal year 2018, Mr. Jenkins, who has been on the Board of Supervisors for approximately twenty years, stated that they had barely started budget considerations and there was no need for action at that time.

Dr. Westbrook stated that the schools that are planned may cost a little more up front, but it is an investment that will pay for itself in seven years and will save the County hundreds of thousands of dollars in utility costs for sixty to eighty years. He stated that it could be new schools for a three cent tax increase. He stated that they can lament about a declining population, loss of jobs, stagnant home sales and reduced hospital services or can take charge of the destiny and reverse those trends. He stated that every study shows that the number one driver of economic prosperity of any community is the quality of its schools.

Mr. Charlie Costello, a District 2 citizen, stated that he agreed with Mr. Larson on the boat tax elimination. He stated that the fund balance has been decreased. He stated that one of the hardest things to do was to make a reduction in work force. He referred to the county EMS department, whose costs have been escalating and stated that, last year, the full-time salaries went up four percent and the part-time salaries went up almost seven percent. He stated that the same department's salaries are increasing by eight percent for full-time employees and six percent for part-time employees. He stated that a three

percent increase has been proposed for everyone else. He stated that department would be a good place to start making cuts. He also suggested a hiring freeze.

Mr. Tom Smith, a White Stone resident, stated that he was alarmed when he saw the two million dollar shortfall in the fund balance at the end of the year. He stated that he was concerned that it had gotten to this point. He stated that the Board of Supervisors has a tough job with the budget. He asked Mr. Pleva how much a one cent increase would yield.

Mr. Pleva stated that a one cent tax rate increase equals approximately \$257,000.

Mr. Smith stated that a five cent increase would still mean that the budget would have a shortfall of approximately \$600,000. He stated that he did not see any choice, but to raise the rate by five cents. He referred to the school capital project and the proposed EMS/EOC building and stated that they would probably be looking at another five cent increase in the next year or two.

Mr. Jack Chamberlain, a District 1 citizen, stated that he thought it was important that the schools move ahead because the future of the County lies in its education. He stated that if it is built, maybe they will come, but if it is not built, they will not. He referred to the proposed EMS/EOC building and stated that he did not think they needed to spend that much money.

Mr. Phillip Oestreich, a District 3 citizen, stated that he moved to the area from Stafford County years ago and the taxes were pretty good at that time. He stated that the real estate market has now gone down and he cannot sell his home. He stated that the County needs teachers, but not new schools. He suggested renovating the existing school buildings and putting more money in teacher salaries. He stated that the school population is decreasing and new buildings were not needed.

Ms. Alice Cooper stated that she was the new director of the Lancaster Community Library and wanted to introduce herself to the Board of Supervisors. She stated that she wanted to thank the Board for its support of the library. She stated that she has lived in the area for twenty years and has seen the slide in the economy and the real estate market. She stated that her analysis of that situation is that it is a technological gap and she would be happy to help in anyway with that issue.

Mrs. Kenya Moody, a District 2 citizen, stated that when young families are looking to move into an area, they always want to know about the quality of the school system. She stated that she would not want a tax increase to help pay for new schools if there wasn't a need for it. She stated that the truth is that new schools are needed. She stated that the children still deserve a good education, no matter how many of them there are. She stated that it would cost more money to renovate the old schools than to build new ones. She stated that nearby localities are either building or have built new schools recently.

Mr. Lee closed the public hearing.

2. Proposed CY 2017 Lancaster County Tax Levies

Mr. Lee asked Mr. Pleva to present the issue.

Mr. Pleva stated that the public hearing was being held in accordance with Section 15.2-1427 of the Code of Virginia, 1950, as amended, for the Board of Supervisors to receive public comment on a proposed ordinance for the calendar year 2017 tax levies. He stated that the proposal is, beginning January 1, 2017 until December 31, 2017, the real estate tax rate would be \$.59 per \$100 of assessed value, with all other rates staying the same. He stated that after the hearing concludes, the governing body has to wait seven days before they can act. He stated that the proposed rate or something less can be adopted.

Mr. Lee opened the public hearing.

Mr. Charlie Costello, a District 2 citizen, stated that he was in favor of the five cent increase on real estate tax. He stated that they would have to do it sometime and the County cannot be run without money. He stated that it cannot come from the boats now. He stated that the five cent increase would personally cost him \$255 a year. He stated that he would pay it gladly because he believes in the County and he believes in the schools.

Mr. Jack Chamberlain, a District 1 citizen, stated that he was just like any other taxpayer in that he wanted to pay nothing and get everything, but that's not the way it is. He stated that his children are grown, but he supports the schools because it is the future of the County and the only way it will grow. He stated that he supports the five-cent increase and would adjust to the cost. He stated that he would like to see money going for the school capital project, but not so much going to the proposed EMS building. He stated that EMS is important, but not to the extent of a three million dollar building.

Mr. Lee closed the public hearing.

Mr. Beauchamp asked Dr. Westbrook about initial costs of the school capital project.

Dr. Westbrook replied that they don't know the number yet. He stated that the land has not been selected yet, but when it is, they will come to the Board of Supervisors and are hopeful that it will be well received. He stated that they are in the process of looking at the architects who responded to the Request for Proposals and when a decision is made, then they will know the design fees.

Mr. Beauchamp stated that he was the board member that Mrs. Gravatt had referenced in her comments. He stated that he said something needed to be done in reference to the proposed EMS building, but not that the \$3 million dollar building was a

“done deal”. He stated that his fellow Board members, as well as Chief McGregor, know that he would not support a \$3 million dollar EMS/EOC building.

Mr. Beauchamp made a motion to Consider Adoption and Appropriation of the Proposed Fiscal Year 2017-18 Lancaster County Budget with Capital Improvements and the Calendar Year 2017 Tax Levies for Lancaster County on Thursday, June 29, 2017 at 7:00 p.m.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

BOARD REPORTS

Mr. Jenkins made a motion to reappoint Robert S. Forrester to the Building Code Board of Appeals for District 1.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

Mr. Bellows made a motion to reappoint Steve Pittman to the Building Code Board of Appeals for District 3.

VOTE:	William R. Lee	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye

ADJOURNMENT

Motion was made by Mr. Jenkins to adjourn.

VOTE:

William R. Lee Aye

F. W. Jenkins, Jr. Aye

Jason D. Bellows Aye

B. Wally Beauchamp Aye