

VIRGINIA: A CONTINUED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE COUNTY GOVERNMENT CENTER ON JUNE 17, 2010 AT 7:00 P.M.

PRESENT: SUPERVISOR REGINALD O. HARRISON, CHAIRMAN
SUPERVISOR JOHN M. SEWARD, VICE-CHAIRMAN
SUPERVISOR ERNEST L. BLOUNT
SUPERVISOR M. SHERLOCK HOLMES
SUPERVISOR JUDY S. LYTTLE

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MRS. MELISSA D. ROLLINS, DIRECTOR OF FINANCE & TECHNOLOGY
MS. RHONDA R. MACK, COMMUNITY DEVELOPMENT DIRECTOR
MR. JEFF GORE, HEFTY & WILEY
SHERIFF ALVIN CLAYTON
MRS. DEBORAH NEE, COMMISSIONER OF REVENUE
MRS. VALERIE PIERCE, DIRECTOR OF SURRY SOCIAL SERVICES
MR. LLOYD HAMLIN, SUPERINTENDENT OF SURRY COUNTY PUBLIC SCHOOLS
MR. STACEY WILLIAMS, BUILDING OFFICIAL
MR. ERVIN JONES, DIRECTOR OF PARKS AND RECREATION

CALL TO ORDER/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

The meeting was called to order by Chairman, Reginald O. Harrison. Mr. Harrison requested a moment of silence. Following the moment of silence, he asked the citizens to stand and say the pledge of allegiance.

CONSENT ITEMS

1. Approval of Additional Account Payables for June 2010

<u>General Fund</u>	<u>\$104,797.72</u>
Total Payables	\$104,797.72

Supervisor Judy Lyttle moved that the Board of Supervisors approve the Consent Items as noted above. The motion was seconded by Supervisor Seward; Supervisors Harrison, Lyttle, Blount, Seward, and Holmes voted in favor of the motion.

PROGRESS REPORTS

- A. Mr. Tyrone Franklin presented the Board with correspondence from Mr. Marshall W. Smith, President of John Tyler Community College,

informing the Board of the resignation of Ms. Shardae Holmes from the JTCC Board. Mr. Smith is requesting that the Board appoint a replacement for the remainder of the unexpired term which ends on June 30, 2011. Following brief discussion, the Board decided to delay action on this nomination until a later date.

- B. Mr. Franklin called the Board's attention to materials provided in their packets pertaining to proposed revisions to the County's Annual, Sick and Other Leave Policies. He asked that Board Members review the information and be prepared to take action on it at their scheduled meeting in July.

FY 2010-2011 BUDGET ACTION

Mr. Franklin advised the Board that staff would not have a presentation as none of their recommendations had changed since the Board's last meeting on June 3, 2010; however, staff was prepared to respond to any changes suggested by the Board.

Chairman Harrison stated that certain Board Members had expressed their opposition to a tax increase at the previous meeting and the Board had felt it best to allow more time to evaluate all possible options. He then asked the members of the Board if any of them had recommendations to present.

Supervisor Blount suggested that there may be other avenues for producing revenue or savings on capital improvement projects that may cost less than projected. He expressed concern that the citizens of his district, Dendron District, would see increases in Personal Property taxes, Real Estate taxes and higher water/sewer rates as a result of the proposed budget. Mr. Blount further speculated that higher taxes and utility fees may actually serve to drive businesses away from the County rather than attract them to it.

Supervisor Holmes asked for specific suggestions to cut expenditures and projects in order to avoid a tax rate increase. He reminded the Board that the fund balance could not be used up to fund ongoing services and special projects.

Supervisor Seward reminded the Board that he had made recommendations at a previous meeting in order to keep the tax rates at the current level, but his impression was that the Board did not support his recommended cuts. He went on to say that he could be satisfied to vote for a tax increase, but was not pleased at being portrayed as a "bad guy". Mr. Seward stated that if the whole Board supported the proposed expenditures, then the whole Board should also support the tax increase.

Chairman Harrison reminded the Board that the proposed FY 10-11 budget does not include any new programs, but represents only the continuation of services and projects already planned. He further expressed concern that to avoid a tax increase this fiscal year may result in a larger, more significant tax increase for the next fiscal year as state and federal funding could potentially continue to decrease.

Supervisor Seward took a moment to report on a meeting he attended earlier in the day with the Virginia Association of Counties. He reported that VACo's projections were still unclear as it may take more time to determine the state's financial condition. Revenue projections are not as bad as had been earlier reported he explained, but counties may see bigger cuts in the future with state deficits as bad as or worse than at present.

Supervisor Blount asked what could be done to address this issue with state officials. Supervisor Seward responded by suggesting that the County address funding concerns through VACo. He further suggested that reductions in state funding should also result in reductions in requirements as the state should not be allowed to mandate activities that it no longer is willing to fund. Mr. Seward went on to recommend that the Board draft a letter to express these sentiments, which would be sent on behalf of Surry County.

Once again Chairman Harrison called for fellow Board Members to make suggestions regarding cuts to the proposed FY 10-11 budget. Supervisor Holmes suggested that the Feasibility Study (\$50,000) for Parks & Recreation could be postponed and considered for FY 11-12 instead. He also suggested eliminating construction of the third manned dump site in the Bacon's Castle/Dendron area. Mr. Franklin was asked if the County had secured a site for future construction and replied that staff had located an available piece of property, but action cannot be taken to secure a contract on the property until the passage of the FY 10-11 budget.

There being no further suggestions from fellow Board Members, Chairman Harrison called for a motion on the proposed tax increase. At this time, Mrs. Melissa Rollins, Finance Director, was called on to outline the two options on the proposed budget presented by staff. Mrs. Rollins explained that in option #1 the only change is to the contribution for the Williamsburg Area Transit, a reduction of \$12,000 for a proposed contribution of \$25,000. The request was \$37,000. This proposal is based on the tax rate increases as identified (i.e. \$0.73 for real estate and \$4.00 for personal property). It includes the use of fund balance reserves to balance the budget in the amount of \$852,192 of which \$297,192 is for the operating budget and \$555,000 is for the capital budget.

Option #2 is the same as option #1 with two exceptions: (a) reduction in the recommendation for the School System Budget based on some potential carryover identified and approved for use in the current fiscal year for capital project initiatives (\$575,000). The proposed budget is \$15,836,252, which is \$303,615 less

than the recommended budget under option #1; and (b) based on this recommendation, the impact on the County's fund balance would be minimized to \$555,000 for capital improvement projects. No fund balance would be needed to help balance the operating budget which is more in line with fund balance policy.

Supervisor Seward recommended that the contribution to Williamsburg Area Transit Authority (WATA) be eliminated (\$37,000) from the FY 10-11 budget along with the Parks and Recreation Feasibility Study (\$50,000) which could be postponed for a year. If the new tax rate is adopted, Mr. Seward suggested, along with these savings the fund balance could be replenished. Chairman Harrison suggested that the Board consider the economic impact of such a decision before eliminating the contribution to WATA.

At this point, Supervisor Holmes made a motion that the Board approve Resolution 2010-18 adopting the tax rates for Surry County. The resolution was read and the motion was seconded by Supervisor Seward. Supervisors Harrison, Holmes and Seward voted in support of Resolution 2010-18; Supervisors Lyttle and Blount voted against.

Supervisor Seward made a motion that the Board approve Resolution 2010-19 adopting the budget for Surry County for the fiscal year of 2010-2011 for fiscal planning purposes. Mr. Seward asked that the resolution be amended to reduce by \$50,000 (the amount of the P&R Feasibility Study) to \$29,933,241. The resolution was read and the motion was seconded by Supervisor Holmes. Supervisors Harrison, Seward and Holmes voted in support of Resolution 2010-19; Supervisors Lyttle and Blount voted against. Mrs. Rollins requested that Mr. Seward amend his motion leaving the total of the budget at \$29,983,241, but transferring the \$50,000 from Parks and Recreation to fund balance. Supervisor Seward amended his motion as suggested; Supervisor Holmes seconded the motion. Supervisors Harrison, Holmes, Seward and Blount voted affirmatively; Supervisor Lyttle voted negatively.

Mrs. Rollins called the Board's attention to two other proposed resolutions regarding the budget. Supervisor Seward made a motion that the Board approve Resolution 2010-20 establishing policies regarding the transfer and appropriation of funds for Surry County for fiscal year 2010-2011. The resolution was read and Supervisor Holmes seconded the motion; the Board voted unanimously to adopt Resolution 2010-20.

Supervisor Seward made a motion that the Board approve Resolution 2010-21 adopting the Surry County Fee Structure to be effective July 1, 2010. Supervisor Holmes seconded the motion; Supervisors Harrison, Holmes, Seward, Lyttle and Blount voted affirmatively.

OLD BUSINESS

Supervisor Seward requested that the Board revisit their earlier action in regard to the Virginia Retirement System (VRS) Member Contribution Pick-Up Guide Resolution before the deadline of June 30, 2010. He suggested that the County should reverse the action taken on June 3, 2010 and should continue to pick up the 5% employee share for future employees as is in line with other area localities.

Supervisor Lyttle stated that she felt that the state was dictating the action of the Board. Chairman Harrison argued that it was a local decision. Following a brief discussion, Supervisor Seward reported that at least 15 area localities are all committed to paying the 5% employee share. Mr. Franklin advised the Board that whatever their decision, the choice could be amended after a period of one year. County Attorney, Jeff Gore, provided further clarification on the process.

Supervisor Seward made a motion that the Board rescind the action taken on June 3, 2010 which made future employees responsible for contributing the 5% employee share to the VRS. Supervisor Holmes seconded the motion; Supervisors Harrison, Holmes, Seward and Blount voted affirmatively and Supervisor Lyttle voted negatively.

Supervisor Seward made a motion that the Board approve Resolution 2010-22 authorizing the County to pay the 5% member contribution for new employees under the VRS program as detailed under §414(h) of the Internal Revenue Code for Plan 2 Employees. Supervisor Holmes seconded the motion; Supervisors Harrison, Blount, Seward and Holmes voted affirmatively and Supervisor Lyttle voted negatively.

At this time Chairman Harrison informed the Board that it was necessary for them to approve the School System Budget by category. Supervisor Seward made a motion that the Board approve the School System Budget as follows:

Instruction	\$10,546,722.00
Administration & Health	\$826,161.00
Pupil Transportation	\$1,086,553.00
Operation & Maintenance	\$1,730,116.00
Food Services	\$567,219.00
Debt Services	\$264,890.00
Educational Technology	\$814,591.00
Facilities/Capital Outlay	\$0.00
TOTAL SCHOOL SYSTEM	\$15,836,252.00

Supervisor Holmes seconded the motion; Supervisors Harrison, Holmes, Seward and Blount voted in support of the motion and Supervisor Lyttle voted against.

ADJOURNMENT

There being no further business, Supervisor Seward moved that the meeting be adjourned; Supervisor Lyttle seconded the motion. Supervisors Harrison, Seward, Blount, Holmes and Lyttle voted in favor of the motion