

AT A MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS
HELD ON TUESDAY, APRIL 26, 2005, IN THE BOARD ROOM OF THE
WOODWARD BUILDING, SALUDA, VIRGINIA:

Present: Fred S. Crittenden, Pinetop District
Kenneth W. Williams, Pinetop District
Lenora O. Weber, Saluda District
Wayne Jessie, Sr., Jamaica District
John D. Miller, Jr., Saluda District

Charles M. Culley, Jr., County Administrator

CALL TO ORDER

Chairman Crittenden called the meeting to order at 7:30 P.M. Mr. Williams opened with a prayer; Mr. Culley led the Pledge of Allegiance.

PUBLIC HEARING ON BUDGETS FOR FY 2006

Mr. Culley presented a review of the proposed County budget, totaling \$14,029,854.00. This total reflects an increase from last year of \$436,931.00 (3.21%). Of 72 departments, 5 have decreasing budgets, 44 have increases and 22 have no change. Salary increases of 5% are proposed for County employees; State/local employees and Sheriff's deputies have proposed salary increases of 4.40%. General properties shows a major increase proposed at \$36,251.00 due mainly to operation and maintenance of the new court facilities. Debt service for the County is at \$779,865.00. The proposed budget uses \$32,293.00 from carry-over funds to fund a resource officer position. If grant revenue is received, it will be used rather than the carry-over funds to help fund the position. The Commission of Revenue's Department shows an increase of \$56,555.00 from the current year, due mainly to the implementation of the business license tax. An increase in revenue of \$80,000 has been included to help off-set that figure.

Monies for the School Budget reflect a proposed increase in school operations of \$260,925.55, or 2.25%. If debt services is removed, the school operations budget shows an increase by 5%. State funds for schools have only increased by \$89,088.00, or 1.82% because of declining enrollment. The proposed school capital outlay budget is \$72,000.00 for purchasing one new bus and one van. Funds proposed include enough to increase school employee salaries by 3%.

Mr. Culley compared costs and funding to schools over that past 11 years, from FY96 to FY06. During that time period, there has been an average of \$190,743.40 per year in new local dollars added to the school budget; an average of \$447,709.40 per year for operations in combined state and local funds. Enrollment has decreased an average of 51 students during the last 11 years; the proposed budget is based on 27 less students than the current year. With decreased enrollment, but increased budget,

the cost per student in the operations budget has grown from \$4,773.43 to \$8,582.32, or 71.32% during the 11 year period.

There is no real estate tax increase proposed, with the rate remaining at .48 cents per one hundred dollar assessed value. General property taxes are proposed to generate 65% of the revenue; revenue from the Commonwealth, 15% and other local taxes, 15%. Other revenue sources making up the remaining revenues needed to balance the budget.

Mr. Crittenden opened the hearing for comments from the public. School Board Chairman, James Goforth asked a question about the business license tax and the proposed revenue to be generated; the Commissioner's budget is increasing approximately \$50,000 to collect a proposed \$80,000. Mr. Culley explained that the \$80,000 was only a conservative estimate used, since the Board of Supervisors has not established the rates for the tax. Mr. Culley is hoping that \$160,000 can be generated once the rates are set. The cost for one employee to assist in administration of the program is approximately \$30,000 including salary and benefits.

School Superintendent, Dr. Oliver Spencer, read a prepared statement. He noted that the budget presented by the School Board was what was needed to meet the issues of the school system. He added that there had been several issues that had been set aside in the past that needed to be addressed. Also, the system was doing its best to recruit and retain good teachers, adding that a healthy school system equaled not only leaders of tomorrow but a healthy community today.

There being no additional comments, the public portion of the hearing was closed. Mr. Culley noted that the Board would plan on adopting the budget at their meeting on May 3rd. Mrs. Weber commented that she understood Dr. Spencer's concerns and the County is very fortunate to have the teachers we have and that Middlesex was the best school system in the area. She also commended the School Board's efforts to present their best request, but added that the County has many other issues to deal with.

Mr. Williams also complemented Dr. Spencer and the School Board. Mr. Williams reminded the Board of the meeting with the Auditor who has said that the County is at its limit on debt service. This is mainly because of the Courthouse project, however, Mr. Williams added that he would not let that get in the way of maintaining school and county properties. Also, he noted that the County is blessed with homes that increase revenue. The business tax was seen as a way to increase revenue but also take burden off real estate taxes.

Mr. Jessie commented that this is a start, but the Board needed to look to next year to do better for teachers and to maintain the quality that has been established.

Mr. Miller commented that he believed things would get better, adding that the County is looking at the meals tax as a way to generate additional revenue.

Mrs. Weber noted that funding for the school resource officer was now coming from revenue generated in the past by fines collected, rather than asking the School Board to help fund the position. Also, the Regional Jail has offered to assist with grounds maintenance and field preparation at some of the schools.

Mr. Crittenden noted that the Regional Jail labor cannot be expected to be a permanent fix, as this benefit may not be an ongoing one, but should be used as long as it is available. Mr. Crittenden thanked Dr. Spencer for his budget preparation and added that he believed that the School Board could get a 5% increase for teachers out of the available funding. He added that he wished there was not a decline in students, as that it increased the cost per pupil.

RECESS

There being no comments from the Board of Supervisors, the motion to recess the meeting until May 3, 2005, at 9:00 A.M., was made by Mr. Miller, seconded by Mr. Jessie and carried unanimously.

Fred S. Crittenden, Chairman
Board of Supervisors