

At a **budget work session** of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center at 26022 Administration Center Drive, Courtland, Virginia on May 18, 2011 at 6:30 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Walter L. Young, Jr., Vice-Chairman (Franklin)
Walter D. Brown, III (Newsoms)
Carl J. Faison (Boykins-Branchville)
Anita T. Felts (Jerusalem)
Ronald M. West (Berlin-Ivor)
Moses Wyche (Capron)

SUPERVISORS ABSENT

None

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Jon M. Mendenhall, Assistant County Administrator
Lynette C. Lowe, Finance Director
Susan H. Wright, Administrative Secretary

Chairman Jones called the meeting to order. After the *Pledge of Allegiance*, Supervisor Faison gave the invocation.

Supervisor West stated that he appreciated the comments made at the budget public hearing Monday evening. He questioned the Southampton County Schools requested budget. It was his understanding that Mr. Charles Turner, Division Superintendent, had originally prepared a budget expecting \$200,000 less from the state. The state funding had since been restored, so why hadn't Mr. Turner reduced his budget request from the County by that amount.

Mr. Turner indicated that they were good stewards of the funds provided by the County. Supervisor West commented that that was not answering his question.

Supervisor Felts asked if department heads had made cuts to their budgets prior to submitting their requests. Mr. Johnson replied yes.

Supervisor Brown asked if there was a monetary incentive program in place to encourage employees to provide money-saving suggestions. Mr. Johnson replied that employees had always been free to provide suggestions. However, there was no monetary incentive program, as it was already the responsibility of the employees to look for and implement ways to save money.

Supervisor Brown stated that he was in favor of the 2% increase for employees. He was somewhat concerned about high-paid employees receiving the raise, but that would not save much money. We had \$1 million + in delinquent taxes that would have a great impact on the budget if collected.

Supervisor Faison stated that over the years the Board of Supervisors had made decisions that would potentially provide a positive return on investment. Investments cost money, but not making investments also cost money. He thought the teachers deserved a 2% pay increase. He noted that he would like to reduce the rate of increase for real estates taxes by 1¢ if possible, but he was unsure as to where they could make up the funding that would be lost in doing so.

Supervisor Felts stated that they needed to encourage Mr. David Britt, Southampton County Treasurer, to aggressively pursue delinquent tax collection, as it was his responsibility. At the public hearing, several people commented that they paid for services in the County in which they did not use. Although that may be true, they could not charge people differently – everyone had to contribute for the betterment of the County as a whole. She also heard comments that they needed to cut line items. She pointed out that there may be line items they could cut, but would the citizens be willing to do without the services that may be reduced or eliminated.

Vice-Chairman Young read aloud the following comments in which he had prepared:

“I respect and appreciate our County Administrator and feel he and the staff presented an acceptable budget. I learned early on that the figures and information he gives us do not need to be questioned. They are accurate. He is very thorough, conservative and always has the County's interest at heart. We as Southampton County residents are blessed to have such a leader. There were 30-some speakers and only 8 or 9 were opposed. Some of those opposed were opposed to everything – at every public

hearing they express opposition. The public was more kind than last year, thank you. There were some good points made although some of the facts and figures were not accurate. I do appreciate the camaraderie the Board has, not only within, but also with staff and Planning Commission. And he did not agree with the statement 'our board does not seem to embrace the same measures that we citizens do.' We all pay taxes and we are definitely in the lower quartile of County employees. I don't feel any supervisor serves because of salary. It has to be dedication – to make Southampton County a better place to live and raise a family. Having said this, our budget, other than the 2nd animal control position, I really don't know where we can cut. To make even 1¢ we need \$100,000+ and it is not advisable to lower the Reserve any more."

Mr. Michael Johnson, County Administrator, advised that he talked to the Sheriff again today and he was very passionate about funding an additional animal control officer.

The Board discussed wanting to reduce the increase in the real estate tax rate by at least 1¢. However, they were uncertain as to how to make up the revenue that would be lost as a result.

Mr. Johnson stated that he had identified a revenue source that would generate enough to allow them to reduce the real estate tax increase 1¢. He referred to page 1-30 of the budget. He had estimated \$550,000 for shared revenue from the City of Franklin due to the economy. However, this week they received a \$770,073 check from Franklin for shared revenue. As a result, he was comfortable in increasing the estimated shared revenue from Franklin by approximately \$227,000.

Supervisor Brown pointed out that they only needed another \$55,000 or so to be able to reduce the real estate tax increase by another 1¢ for a total of 2¢.

The Board discussed trying to reduce the real estate tax increase by an additional 1¢ for a total of 2¢. It was consensus of the majority of the Board to not fund the additional animal control position at this time, which would free up an additional \$ in revenue. (Supervisor Faison thought the position was needed.) However, the Board agreed to revisit it again in 6 months. Only another \$5,000 or so was now needed to enable them to reduce the real estate tax increase by 2¢ total, versus the originally proposed 3¢ increase.

Mr. Johnson advised that he could make some minor line-item adjustments to take care of the \$5,000 – he would have those adjustments prepared for Monday's meeting.

With permission from Chairman Jones, Vice-Chairman Young asked Mr. Turner how many non-county students attended our schools. Mr. Turner replied that they did not take those students in if they were going to impact the schools. They were not taking in the students to make money, but they were not costing them money. Vice-Chairman Young stated that he did not answer his question. He knew there were 35 non-county students at Riverdale Elementary. Could you assume that each of our 6 schools had an average of 35 non-county students? Mr. Turner replied no – each school did not have that many. He would be happy to get that information for him.

Supervisor West stated that he was concerned about raiding the Reserve and raising taxes. He was glad they were able to lower the real estate tax increase by 2¢, but he was really not in favor of raising taxes at all. The 2% pay increase for employees would be built in the budget year after year. He was more in favor of a one-time bonus. He thought Mr. Turner should reduce his budget request since the state had restored \$200,000. He was tired of being told that we had to be responsible for children in our schools and elsewhere, or we would be paying incarceration costs. A child's foundation and discipline should start at home – it was time for parents to be parents.

Supervisor West moved, seconded by Supervisor Brown, to increase the real estate tax rate by a net increase of 1¢ (reducing increase from 3¢ to 2¢). This was based upon identifying additional revenue, and not funding the additional animal control position at this time, but to revisit it in 6 months. Chairman Jones, Vice-Chairman Young, and Supervisors Brown, Felts, West, and Wyche were in favor of the motion. Supervisor Faison was opposed. The vote was 6-1 in favor of the motion, thus the motion passed.

Mr. Johnson advised that official action on the FY 2012 budget would be taken at the regular meeting on Monday, May 25.

There being no further business, the meeting was adjourned at 7:15 PM.