

At a budget workshop meeting (discussion focused on Social Services) held at the Southampton County High School at 23350 Southampton Parkway, Courtland, Virginia on April 18, 2012 at 7:00 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)  
Dr. Alan W. Edwards, Vice-Chairman (Jerusalem)  
Glenn H. Updike (Newsoms)  
Carl J. Faison (Boykins-Branchville)  
Barry T. Porter (Franklin)  
Ronald M. West (Berlin-Ivor)  
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

None

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)  
Jon Mendenhall, Assistant County Administrator  
Lynette C. Lowe, Finance Director  
Cynthia J. Edwards, Administrative Secretary

Chairman Jones called the meeting to order. He turned it over to Mr. Michael Johnson

Mr. Michael Johnson stated that the direction they gave him last week was to present a balanced budget without a tax increase and describe the impact that would have on service so that is the purpose of tonight's presentation. He gave the following presentation:

**Fiscal Year 2013  
Draft Budget**

Wednesday, April 18, 2012  
7:00 p.m.



## “The Gap”

<b>Projected Revenue</b>	<b>\$</b>	<b>50,784,732.00</b>
<b>Projected Expenses</b>		<b>(54,110,415.00)</b>
		<b>\$ (3,325,683.00)</b>

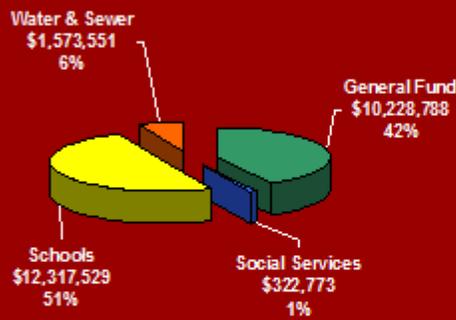
## Direction

- Present a balanced budget without a tax increase and describe the impacts on service

## Initial Draft FY 2013 Budget

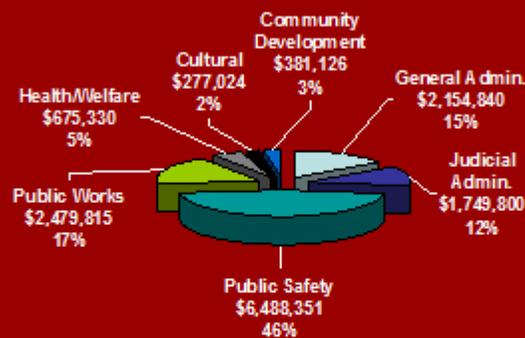
<u>Total Expenditures</u>		<u>Local Funding</u>	
General Fund	\$14,225,444	General Fund	\$10,228,788
Social Services	2,430,304	Social Services	322,773
Schools	30,749,154	Schools	12,317,529
School Food	1,137,620	<del>School Food</del>	<del>423,000</del>
Building Fund	1,836,203	<del>Building Fund</del>	<del>1,836,203</del>
Water & Sewer	<u>3,731,690</u>	Water & Sewer	1,573,551 <del>3,731,690</del>
	<b>\$54,110,415</b>		<del>\$20,059,983</del>
			<b>\$24,442,641</b>

## Overall Distribution of Reductions



				<u>Targeted Reduction</u>
Schools	50.23%	x	\$ 3,325,683	\$ 1,670,462
General Fund	42.40%	x	\$ 3,325,683	\$ 1,410,118
Enterprise	6.37%	x	\$ 3,325,683	\$ 211,846
Public Assistance	1.00%	x	\$ 3,325,683	\$ 33,257
	100.00%			\$ 3,325,683

## General Fund Distribution of Reductions



				<u>Targeted Reduction</u>
General Admin.	15.15%	x	\$ 1,410,118	\$ 213,633
Judicial Admin.	12.30%	x	\$ 1,410,118	173,445
Public Safety	45.61%	x	\$ 1,410,118	643,155
Public Works	17.43%	x	\$ 1,410,118	245,784
Health & Welfare	4.75%	x	\$ 1,410,118	66,981
Cultural	2.08%	x	\$ 1,410,118	29,330
Community Development	2.68%	x	\$ 1,410,118	37,791
	100.00%			\$ 1,410,118

## General Admin.

- Includes BOS, County Administrator, Commissioner, Treasurer, Accounting, Data Processing, Registrar
- Reduction of \$213,633 equates to elimination of 4 of 19 FTE's (21%)
- Will adversely impact grant writing, project administration, I.T./GIS, financial reporting, tax assessment, and tax collection
- Ask David Britt and Amy Carr to discuss the respective impacts on their offices

Mr. David Britt, Treasurer addressed the Board. He stated that he has looked at the amount and the impacts of this budget. He would have to lay off one individual which is 1/3 of his office staff. This would greatly impact the deposits of revenue and delinquent taxes by slowing the process. Delinquent taxes at this time are higher than ever. It would be a slower pace on collecting these delinquent taxes because we wouldn't have the resources to try to collect them. It would also have a negative effect on internal controls. With a reduced staff you have people waiting in a cash area where those people as well as the office are at risk of theft. With the reduction of office staff it may affect the hours of operation especially if there are two people out sick, or when people are taking lunch and bathroom breaks. There may be times when we have to shut the office down. Also this will have an impact on citizens. As it is right now we have lines during peak times, but with a reduced staff the lines will become longer. He stated in his last twenty years he had been to conferences and seminars of economic groups and of the Treasurer Association and they emphasized that when times were tight you need to put your resources in your revenue offices. He thanked them for their time and offered to answer any questions they may have.

Chairman Jones asked if anyone had any questions for Mr. David Britt.

Mrs. Amy Carr, Commissioner of the Revenue addressed the Board. It looks like we are in for a long night so I'm going to be short and to the point. I'm not going to stand up here and try to explain that, as it stands today, my office is already understaffed. I'm not going to tell you how devastating it would be to lose an employee. I'm simply going to tell you which duties we would not be able to continue and the amount of revenue that will NOT be generated if my funding is cut by \$28,000. The first is:

Meals tax and lodging tax – I am not required to administer these two programs. I willingly took these on back in 2009 and 2010. These bring in about \$120,000.

Business Licenses - \$155,000

Personal Property Late Filing Penalty – \$32,000

New construction - \$50,000 AND the

Tax relief program – This does not generate revenue, but it is a great program and a much needed program for our elderly citizens on a fixed income. We currently relieve approximately \$75,000. It would be a shame not to offer this.

Including the \$75,000 that will be passed on to the elderly, you are looking at a cost of well over \$400,000 in order to save \$28,000. Therefore, I respectfully request that you reconsider this reduction.

Thank you.

Chairman Jones asked if anyone had any questions for Mrs. Amy Carr.

## Judicial Administration

- Includes Clerk of Circuit Court, Commonwealth's Attorney, Court Security
- Reduction of \$173,445 in local funding equates to elimination of 7 of 21 FTE's (33%)
- The elimination of \$173,445 in local dollars is exponential based on the way local funds are leveraged with state funding

## Leveraged Funding for Constitutional Officers

	Salary	HICA	WIS 14.55%	2b.4% pd by Co.	Group Insurance	Total Salary & Benefits	Comp. Board Reimbursement	Actual Cost to County
Employee A	\$ 32,100	\$ 2,498	\$ 4,671	\$ 1,284	\$ 424	\$ 47,354	\$ (30,065)	\$ 17,289

In order to save \$17,289 in local dollars, you must eliminate a position with salary and benefits worth \$47,354 and sacrifice \$30,065 in state revenue

In other words, for every dollar you save, you sacrifice another \$1.74 in state revenue

## Judicial Administration

- Ask Rick Francis and Eric Cooke to discuss the impacts on their respective offices

Mr. Rick Francis, Clerk of Court addressed the Board. I realize that I am at a disadvantage to the other offices because very few people actually know what the Clerk's Office does. We don't have uniforms and we are quiet in the Courtroom, but the Clerk's Office is the third (of three) departments in the "Public Safety" triangle. The Sheriff's Department protects, arrests and investigates, the Commonwealth Attorney prosecutes and the Clerk's Office maintains the files, prepares the Orders, handles the appeals, houses the evidence, files the reports. Where, if one of the three departments "drops the ball" then the guilty go free or the innocent suffer. There is little margin for error. A cut in one area of Public Safety affects the other two.

In most states, that is all the Clerk of Court does, for example in Georgia, there is a Court Clerk, a probate clerk, and a records clerk, all separate offices. In Virginia however, the Clerk of Court must do all three and more, because in Virginia, the Clerk's Office is second only to the Treasurer's in collecting money. Every time the state or locality passes a revenue collecting statute, it looks to the Clerk's office for collection. At present, the Clerk has more than 800 duties that I must perform, 85% of which involve collection and reporting of fees and costs. We handle everything from marriage to death, 80 types of land records, judgments and liens, fictitious names, notary, concealed weapon permits, restitution, civil cases, criminal cases, estate matters, competency matters, inmate matters, infant accounts, records, evidence, divorce and child support, guardianship, condemnation, injunctions, search warrants, court dockets, appeals from district court, voting records, oaths, and military records.

There are only three duties that I don't have to perform, they are (1) processing passports – 268 last year and we are the only agents between Suffolk and Emporia, (2) collecting delinquent court costs – along with the Commonwealth Attorney I pursue delinquent court costs like never before, through court hearings, tax intercepts, pursue through bankruptcy, and even file liens in other jurisdictions when I learn of property. For that extra work, the clerk's office earned about \$6,500 last year. And the third job I have undertaken is that we still sell hunting/fishing licenses.

In looking at our duties and workloads, the state, who has performed a "cost-cutting study", said that we need more staff than we now have.

Where all of the Constitutional Officers are different from your other departments is that we all answer to the same citizens that you do. If we are not frugal in our offices, we have to answer for it. I think that all would agree that we (Board and County) are entitled to the tools necessary to perform our job. To make things more difficult for me, is that I have to answer to the judge who, by doing his job as he sees it, has placed a lot more work and postage expense on my office. I go to him and I get "that's just the cost of doing business" reply. But the Clerk's office is not a business, if it was, I would charge him for the extra work and I would hold on to the more than \$2 million the office collected last year. This is public service.

Now, when we have two people out (vacation/sickness), we go into "maintenance only mode" during lunch and when the front desk demands. With a staff of only 4, there is no way to absorb those at the counter and the duties of the office, much less cover lunch/vacations/illness/etc. Nor can we handle the demands of Court, for which we have to leave the office. Even going "appointment only" or "limited hours open to the public", would not solve the problem of losing 1/3 of my staff, and would only limit the money collected.

At the Clerk's Office, we don't have the luxury of merely putting something aside and "tending to it tomorrow", tomorrow is just as hectic, with just as many obligations to address. Two out of 5 days, I don't get lunch. I trust you have seen my truck at the office well past dark and on weekends. I'm not there for my looks.

Over the years since 2007 – 2008

Repair	\$1,997	He reduced to \$750 (actually \$0)
Postage	\$4,000 (spending at (\$4,800)	He reduced to \$3,000, Judge required \$3,400
Travel/Ed	\$500	He reduced to \$0
Office Sup.	\$7,000	He reduced to \$5,750
Housekeep	\$6,056	He reduced to 1 day/wk (\$3,000)
Equipment	\$2,000	He reduced to \$500
Dues & M	<u>\$420</u>	He reduced to <u>\$0</u>
	\$21,973 Reduced 39%	\$13,400

Our supply/equip budget is so tight; we have had to rely upon other offices to provide the file covers that we need for criminal cases.

Last year, the Clerk spent \$3,000 of personal money on office-related expenses from dues/conferences/training/etc. and he performs weddings to off-set other expenses. Things are so tight that, between the Commonwealth Attorney and himself, they had to scrape to find the money to purchase pizza for a jury to make sure they did not carry over to another day at the cost of the taxpayer. He stated he is a gun toting, penny-pinching, country raised, Democrat.

Having the right people is everything. When burdened with 800 different duties, having the people with the right training is essential. The citizens of Southampton County have thousands of dollars invested in the specialized training that my staff represents. They cannot be replaced with "Temps", nor can we cut them this year and take another look at it next year.

You may recall the Virginia Beach Clerk's Office, where they lost staff, the next thing you see is that errors were made in Court Orders and in financial reporting. They lost 20% of their staff and closed at 1 pm on Thursday and Friday. After an outcry and various reports on safety and revenue, the city has since turned around and hired more people (which meant more training).

He stated he had some other ideas on ways to cut cost if any of the Board members wanted to get with him he would be glad to share those ideas.

Mr. Rick Francis stated he would be happy to answer any questions.

Chairman Jones asked if anyone had any questions for Mr. Rick Francis.

Supervisor Updike said he is certainly glad someone is willing to look for ways to cut spending. He said this is the first one that spoke tonight that has spoken saying that they can offer some suggestion to help solve the budget crisis. He doesn't like hearing everyone constantly saying they have got to have. He was happy to hear Mr. Rick Francis say he had some additional ideas to help cover the shortfall.

Mr. Eric Cook, Commonwealth Attorney addressed the Board. He stated that they receive \$42,000.00 in local funds which is all expenditure on personnel. What the county pays is a bargain. Essential services will not be done. Criminals will go unpunished. They have numerous burglary, murder, gang, and drug cases in the system now. They will not be able to do as good of job understaffed. They face the possibility of being overwhelmed. If they don't address criminal issues, restitution issues and compute fines these criminals will continue to prey on citizens. He said he is not trying to be dramatic. They will have to make plea agreements because they will not be able to prosecute the cases as severely due to the lack of time. The City of Franklin contracted with him for processing misdemeanor crimes in the city. He also prosecutes all DUI's. He stated that DUI's kill people. These cases take just as much time as a murder trial. When the law on DUI's goes into effect on July 1, it will make matters even worse when 1<sup>st</sup> offense DUI offenders will have a device installed in their car. The courts inability to process these DUI cases will directly affect citizens as far as property loss and death. These cuts would mean 2 less persons so they would be working with half of their staff. This would set them back 15 years. They would lose what they have worked for the last 30 years. When you look at the line item they cost the county the most because they have the most fringe benefits. The county has a debt to its employees who are loyal and dedicated. It will affect the employees and their kids. Talk about stability. The employees working for the government or schools work there because of the benefits not because of the pay. Mr. Francis bent over backwards to get the county where it is now. If things go downhill now it will take forever to get back to where we are now. It takes sufficient amounts of time to be as good at what they do. We can't hire temps to fill in these positions. It is also wasteful and disloyal. We need to take the necessary steps to keep our people. Mr. Michael Johnson has suggested that we impose a trash fee and a semi-annual property tax collection, and the possibility of furloughs. It makes it hard for the employees to stay focused when they are worried about their jobs being taken away. He stated he would be glad to answer any questions.

## Public Safety

- Includes Sheriff's Office, Animal Control, Volunteer Fire and Rescue, and Building Inspections
- Reduction of \$643,155 equates to:
  - 20% reductions in funding to volunteer fire and rescue
  - Elimination of 24 out of 76 FTE's (31.6%) engaged in Public Safety
- Ask Sheriff Stutts to comment on the impacts

Sheriff Stutts addressed the Board. He stated that with these cuts he would lose 27 staff members at the Sheriff's office. Their job is to protect the public and each other. These cuts would affect the staff and bailiff also. This would reduce the ability to keep their radio communication up to date and they receive 2,000 9-1-1 calls annually. In 1981 when he started work they had 200 calls a year for service now they have 4,715 calls. He stated that's twice over 20 times the number of calls. These cuts would eliminate the detective staff. He stated they would have to cut out the night shift which would affect the safety of the county. They would not be able to support the jail farm which is actually making money. They would have to pull two deputies from an already reduced staff to transport the inmates to doctors, etc. We already have the lowest paid deputy sheriff's anywhere in the area. Southampton County will become a target for criminals.

Chairman Jones asked if anyone had any questions.

## Public Works

- Includes Streetlights, Litter Control, Refuse Collection, Refuse Disposal and Maintenance of Buildings & Grounds
- Reduction of \$245,784 equates to:
  - Going dark in all villages and subdivisions (does not include incorporated towns)
  - Elimination of 4 of 11 FTE's (36.4%)
  - Eliminates most preventive maintenance on county buildings
  - Adversely impacts litter control program, timely refuse collection, and appearance of county buildings and grounds

## Health & Welfare

- Includes Health Department, WTCSB, Senior Services, "At-Risk" Children (CSA)
- A reduction of \$66,981 equates to:
  - A \$52,000 reduction in local funding to the Health Department, which would reduce their state match by another \$75,022, equating to a total cut in funding of \$127,022
  - Reduction or elimination of non-mandated health services, such as the dental program
  - Reduction in the number of slots available for pre-natal care, communicable disease treatment, immunizations, and family planning
  - Reduction in the availability of timely nursing home screenings
  - A \$12,000 reduction in local funding to the WTCSB which translates to reduced services for mental health and substance abuse – a loss of 288 direct service hours

## Cultural

- Includes Community Concert Association, Rawls Museum Arts, Historical Society and Blackwater Regional Library
- Across the board cuts with reductions of \$29,330
- Most heavily impacted is the Library with overall reductions in excess of \$30,000 (when compared to the FY 2012 appropriation)
- Equates to elimination of 3 of the 5 branch positions
- Library would be open only 2 weekdays and a partial day on Saturday

## Community Development

- Includes Planning, Economic Development, Soil and Water Conservation and Cooperative Extension
- A reduction of \$37,791 equates to the loss of 1 of 2 FTE's
- Indefinitely defers updating the Comprehensive Plan
- Adversely impacts the processing of applications for rezonings, CUP's, and zoning variances
- Adversely impacts timely site plan and subdivision plat reviews
- Adversely impacts timely enforcement of zoning violations
- Adversely impacts timely enforcement of other local ordinances (high weeds, junk cars, etc.)

## Enterprise Fund

- Includes all water & sewer operations
- A reduction of \$211,846 equates to:
  - Deferred maintenance on water tanks, pump stations, equipment and piping
  - Elimination of 3 out of 16 FTE's
  - Substantial risk of regulatory noncompliance and accompanying fines and consent orders
  - Substantially reduced service resulting in more customer complaints and overall dissatisfaction with the service
- Ask Julien Johnson to discuss specific impacts

Mr. Julien Johnson addressed the Board. He stated that they have dealt with DEQ in reducing hours from 16 to 8 and have already sent two people home. With these cuts they would have to get rid of three more in addition to those two. They have parts and things necessary for their operation that they can't buy at Edwards Hardware and with this budget reduction they would not be able to keep these items in stock and on hand so when they need them they would be down for days until they could order and receive the parts. Preventative maintenance would be a thing of the past. They have spent 8 ½ years to get where they are and it would be a shame to let it go down now. It would be hard to buy a whole box of valves to keep on hand. They have just recently replaced six that had been in use since 1927. The waste plant is required by DEQ to receive a certain amount of training during operating hours. That only leaves four people to make repairs in the field. Anything less than what they have now will cause delays in repairs. Their goal is to keep things in the ground instead of running down the street. If they receive several warning letters from DEQ they will be shut down. There are several expenses with manpower, etc, but you can't turn the water off; if something breaks you have to fix it. He said he would be glad to answer any questions.

## Public Assistance

- Southampton County DSS
- A reduction of \$33,257 in local funding equates to:
  - A reduction in their state match of another \$161,960
  - Elimination of all nonmandated services
  - Elimination of 2 FTE's
- Ask Michelle Stivers to discuss specific impacts

Ms. Michelle Stivers addressed the Board. She stated that they have cut their budget additionally, as requested. Please note that a cut in the Social Services budget of \$33,390 is actually a cut of \$195,350 due to the fact that we will not be able to pull down the matching state and federal funds.

All of our non-mandated services that have a local match have now been completely eliminated. Adult Services (Companion Care), which in some cases allows elderly citizens to remain in their homes instead of going into expensive nursing homes, has been cut. Also eliminated are Family Preservation/Foster Care Prevention funds, which have been used in the past to pay for utility bills, medication, family therapy and rent in order to keep children with their families and out of foster care. Family Preservation/Support, which is a grant that allows the department to support valuable community programs for youth, such as the Nottoway Elementary Tutoring Program, the Courtland Community Center, the Community Outreach Program, and the Boykins Neighborhood Outreach Center, has been cut. Those funds have also been used in the past to pay for utilities, rent, water bills, glasses and anger management classes. Quality Initiative funds, which allow us to support quality child care programs that enable children to be ready to learn when they enter school, have been cut. Foster/Adoptive child welfare worker training and Foster/Adoptive provider administrative costs have been cut. These funds allow us to recruit and train local foster/adoptive parents. This keeps foster care costs down because we then do not have to rely on child placing agencies out of our locality that charge huge amounts of money to care for our foster children. The county often pays much of this money through the CSA budget.

Much training is required of local DSS employees to enable us to do our jobs. Policy and law change continuously, and we must keep up in order to do things correctly. The state provides training, but does not cover the costs of travel, hotels if necessary, or meals. Our training/education budget has been cut by \$14,000. Prices continue to rise for all items we must purchase to operate. The office supplies budget has been cut by \$7,610.

Currently, the department has 28 positions filled and 8 vacancies. With this reduction, we will lose 2 full time staff positions. Southampton County has 22% of its population (1 in 4.7) on SNAP (formerly known as food stamps), 20% (1 in 5) on Medicaid, and 4% (1 in 25) receiving TANF. Caseloads have increased, with almost 1200 more citizens on SNAP in 2011 than in 2005 and 100 more receiving TANF. The unemployment and poverty rates have increased over the last 10 years (2010 9.6% unemployment; 16.4% poverty), both above state average.

Southampton County DSS workers have done a tremendous job of responding to these increases with very little in the way of pay increases. Our error rates are extremely low and our timeliness rates are very high in processing cases and renewals. That is a source of great pride to me and the staff. With errors and mistakes come federal and state sanctions and paybacks. Cuts in staff will make these things increasingly difficult to maintain.

In FY11, \$24,521,827 was paid out on behalf of Southampton County DSS clients, none of which was local funding. This was from Medicaid benefits, SNAP, Energy Assistance, TANF and FAMIS. This would not have been possible without my staff. This is all revenue generated by the staff of Southampton County DSS. In addition, \$96,679 was received by Southampton County in cost allocation for just housing the local department of social services.

Again, a cut in local funds of \$33,390 is actually a cut to DSS of \$195,350, due to the fact that we will not be able to pull down the matching state and federal funds. We had already made huge cuts to our budget, and ask that if we must cut more, much consideration be given to the fact that we will lose a considerable amount of state and federal dollars and will be unable to provide services to some of the county's citizens who need us the most.

## Southampton County Public Schools

Total Local Funds						
FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budgeted	FY 2013 Revised	Increase (Decrease)	% Change
\$9,230,800	\$9,432,482	\$11,568,060	\$11,076,473	\$10,611,367	(\$465,106)	(4.20)

Local Funds for Operating (Total Less Debt Service)						
FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budgeted	FY 2013 Revised	Increase (Decrease)	% Change
\$7,414,063	\$6,764,514	\$8,628,330	\$8,552,092	\$8,313,572	(\$238,520)	(2.79)

Ask Mr. Turner to provide an overview of what a reduction of \$1,670,462 in local funding for schools equates to

Mr. Charles Turner addressed the Board. He stated that the education of our children is one of the most critical elements to any county. When you look at an area you look at the quality of like. Businesses and industry look at education as a critical element when looking at where to locate. We owe it to our children to provide the education necessary for a promising future. He stated they had the privilege to meet with the Board of Supervisors on three occasions in the budget preparation process. As you are aware they have to meet the required testing standards set by the Commonwealth of Virginia. He stated that this budget would be a devastating, catastrophic thing. We are obligated to and have a moral responsibility to provide our children with the best possible education. He asked if there were any questions.

Supervisor Updike stated that you are up from last year \$238,520 because the figures are on the wall.

Mr. Charles Turner stated he wanted to make this clear. The Southampton County Public Schools has been sustained by the stimulus funds.

Chairman Jones asked if there were any questions.

Supervisor Updike asked how many of them received a 2% increase last year. He asked them to raise their hands.

Chairman Jones stated Mr. Michael Johnson would finish his presentation on the budget.

## Revised Draft FY 2013 Budget

PROPOSED EXPENDITURE\$	FY 2012	FY 2013		Variance	Percent Change
		Initial Draft	Revised		
General & Financial Administration	\$ 2,200,344	\$ 2,154,840	\$ 1,901,246	(299,098)	-13.6%
Judicial Administration	1,726,487	1,749,800	1,390,879	(335,608)	-19.4%
Public Safety	6,263,798	6,488,351	5,150,274	(1,113,524)	-17.3%
Public Works	2,564,691	2,479,815	2,229,815	(334,876)	-13.1%
Health and Welfare	567,631	675,330	608,080	40,449	7.1%
Parks, Recreation, Culture	272,836	277,024	242,286	(30,550)	-11.2%
Community Development	353,102	381,126	292,092	(61,010)	-17.3%
Non-Departmental	19,100	19,158	19,158	58	0.3%
School Fund	28,892,027	30,749,154	29,078,692	186,665	0.6%
School Food	1,072,600	1,137,620	1,137,620	65,020	6.1%
Public Assistance Fund	2,446,506	2,430,304	2,234,954	(211,552)	-8.6%
Building Fund	2,210,971	1,836,203	1,836,203	(374,768)	-17.0%
Enterprise Fund	3,553,868	3,731,690	3,519,844	(34,024)	-1.0%
	\$ 52,143,961	\$ 54,110,415	\$ 49,641,143	\$ (2,502,818)	-4.8%

# Revised Draft FY 2013 Budget

REVENUES	FY 2012	FY 2013 Initial Draft	FY 2013 Revised	Variance	Percent Change
General Property Taxes	\$ 18,154,870	\$ 18,436,637	\$ 18,436,637	\$ 281,767	1.6%
Other Local Taxes	1,594,349	1,596,105	1,596,105	1,756	0.1%
Permits, Fees, Licenses	105,050	105,930	105,930	880	0.8%
Fines & Forfeitures	589,000	597,250	261,530	(\$27,470)	-5.6%
Interest	35,000	4,000	4,000	(\$1,000)	-8.6%
Charges for Services	396,664	408,773	408,773	12,109	3.1%
Miscellaneous Revenue	979,128	823,268	823,268	(\$15,860)	-1.9%
Transfer - General Fund Reserve	1,400,777	530,709	814,364	(\$58,413)	-4.9%
Transfer - Inmate Enterprise	160,000	207,013	207,013	47,013	100.0%
Other County Sources	403,600	435,700	435,700	32,100	8.0%
Enterprise Fund	1,952,259	1,123,460	1,123,460	(\$828,799)	-42.5%
Building Fund	1,645,507	1,302,985	1,302,985	(\$342,522)	-20.8%
State Revenue	22,303,849	22,492,559	21,401,335	(\$92,514)	-4.0%
Federal Revenue	2,423,908	2,720,043	2,720,043	296,135	12.2%
	\$ 52,143,961	\$ 50,784,432	\$ 49,641,143	(2,502,818)	-4.8%

Mr. Michael Johnson said he summarized a balanced budget with no tax increases. If this budget is adopted the schools would have to decide where to make the cuts from the funds allocated to them. He stated he had just done what you told him to do.

Supervisor Edwards said it is good to see what everybody wants because with a \$3.3 million deficit everyone in this room would get a \$0.24 real estate tax rate increase, which is only \$0.02 cents above Virginia Beach, to balance the budget without cuts. We don't like being in this position to impose a \$0.24 tax increase. They just had a \$0.25 increase in Isle of Wight County. The taxes are so high in this county that people go to Carolina to title their RV's.

Supervisor Phillips stated that four of the Board members have been on this job for about 90 days and they have a big job in front of them. This budget as presented is the worst case scenario. We have met with Mr. Charles Turner and the school board to find out where their funding comes from. We have got to make the county run with the best alternatives which mean we will have to make some cuts. He stated he loves this county. This is a job you do because you love the county not because it is something that is fun. The Board is going to do the best they can please realize that. They are going to work on this budget and hopefully come up with a plan that everybody can live with.

Supervisor Faison said he takes a different position on this. There has to be a balance between cuts and revenues. The land use tax is a wonderful thing. He sees everyone in the county having to bear the burden. He doesn't want people to be laid off. He stated that he worked for 41 years and had never faced that situation. He stated the Board represents the whole county and he thought the citizens should call or e-mail their Board of Supervisor member and share their thoughts. He doesn't see how they can approve the budget as presented tonight.

Supervisor Porter asked if anyone would trade places with him right now. This is the toughest budget this county has faced. He stated they just could not raise taxes \$0.24 cents. It was admirable that the people came to defend their turf. We were hoping some would come offering solutions, but only one offered that. It is tough. He said everyone would probably be mad at the Board but they are going to have to make some compromises. There is probably one person that is going to hate both options.

Supervisor West they are certainly in a tough position tonight. They are between a rock and a hard place. People don't want to raise taxes or make cuts. An option would be to have a twice a year tax collection. They would collect in December and then again in July. This would help to get through a tough time. He sees time bought that way. He said we are working with top notch administrative staff. He stated that Mr. Michael Johnson has done a great job looking at the

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program. He said he was not there on land use yet. He asked for your prayers as they are doing the best they can.

Supervisor Updike stated they had to look out for the health and welfare of the citizens. The community is not a wealthy one. The average income for a family is \$33,000.00 and \$27,000 for an individual. He can't see putting an additional burden on the citizens. The new Board members were voted in on a promise not to raise taxes and he will not vote for a tax increase.

Chairman Jones said this was his 28<sup>th</sup> budget and he had never seen one like this. They had worked it out in the past. He stated they couldn't cut 1/2 of the people in working for the county. He said they are going to work on the budget and do the best they can.

Chairman Jones adjourned the meeting.

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Dallas O. Jones

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Michael W. Johnson