

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD BUDGET MEETING ON TUESDAY, MARCH 30, 2010, AT 6:30 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM LOCATED IN THE GOVERNMENT CENTER, 1255 FRANKLIN STREET, SUITE 104, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT: Charles Wagner, Chairman
Wayne Angell, Vice-Chairman
Leland Mitchell
Ronnie Thompson
David Cundiff
Russ Johnson
Bobby Thompson

OTHERS PRESENT: Richard E. Huff, II, County Administrator
Christopher L. Whitlow, Asst. County Administrator
Larry V. Moore, Asst. County Administrator
Sharon K. Tudor, MMC, Clerk
B. J. Jefferson, County Attorney

Chairman Charles Wagner called the meeting to order.

SOCIAL SERVICES DIRECTOR

Richard E. Huff, II, County Administrator, introduced Andrew Crawford, the new Social Services Director.

PROPOSED 2010-2011 COUNTY BUDGET PRESENTATION

Richard E. Huff, II, County Administrator, presented the following PowerPoint presentation of the Proposed FY' 2010-2011 County Budget as follows:

Mr. Charles D. Wagner, Chairman
And Members of the Franklin County Board of Supervisors
County Board Room
Rocky Mount, Virginia 24151

Dear Chairman Wagner and Members of the Board:

It is my pleasure to transmit to you today my recommendations for a balanced 2010-2011 budget for the citizens of Franklin County. I am pleased that I am able to recommend this fiscal plan for your consideration and look forward to the Board's feedback and response to the many difficult decisions that went into this recommendation.

As you know, Section 15.2-2503 of the Code of Virginia, as amended, states that the County budget shall be developed for "informative and fiscal planning purposes only". It serves as a plan for County operations, maintenance, capital outlay, and debt service and may include reserves for contingencies and future capital improvements. The annual budget must contain a complete itemization of all estimated expenditures, revenues, and borrowings and must be approved by the governing body prior to July 1 of each year. Similarly, the School Board Budget must be adopted by May 1 of each year.

The power of the Board of Supervisors to grant or withhold funds is an important means by which it can determine general County policies and the level of services to be offered. Budgeting is a planning process required by law that enables the Board of Supervisors to examine requests for County funds, to anticipate revenue needs, and to make decisions about the priority of programs and level of services to be provided. It is a work-plan expressed in terms of dollars and as such is an important tool of fiscal management.

Staff's recommendation for the County's fiscal plan for the FY10-11 Budget totals \$120,098,026. This total represents a **3.1% decrease** over the current year adopted budget of \$123,871,485. The dollar decrease from the current year adopted budget to the FY10-11 proposed budget is \$3,773,459 and is broken down roughly as follows:

- The following major categories are all showing proposed decreases:
 - General and Financial Administration: (\$107,706)
 - Community Development: (\$243,565)

- Judicial Administration (\$232,902)
 - Public Safety (\$71,871)
 - Capital: (\$73,375)
 - Utilities: (\$268,613)
 - Parks, Recreation and Libraries: (\$74,263)
 - Schools (\$3,416,070)
- Increases in the proposed budget are in the areas of social services and general properties.
 - \$443,632 increase in Social Service programs including programs such as food stamps, child protective service referrals, energy assistance and adult services
 - \$204,918 increase in utilities and contractual services.

<u>Function</u>	<u>Adopted 2009-2010 Budget</u>	<u>Proposed 2010-2011 Budget</u>	<u>Difference</u>
General Administration	\$ 3,823,114	\$ 3,715,408	\$ -107,706
Judicial System	2,611,872	2,378,970	-232,902
Public Safety	12,673,336	12,601,465	-71,871
Public Works	2,794,228	2,880,683	86,455
Health and Welfare	10,871,595	11,065,318	193,723
Schools	81,424,672	78,008,602	-3,416,070
Recreation & Cultural	1,816,886	1,742,623	-74,263
Community Development	2,295,061	2,051,496	-243,565
Debt, Capital, Utilities	5,560,721	5,653,461	92,740
Totals	\$ <u>123,871,485</u>	\$ <u>120,098,026</u>	\$ <u>-3,773,459</u>

There were a number of concerns and circumstances that set the stage for the budget development this year and provided the framework by which this proposed budget was developed. Virginia's economy has been and will continue to be sluggish at least through the end of calendar year 2010. State-wide, the housing market continues to be troubled. Some data suggests that the market may have bottomed out, and we are even seeing some signs of a housing revival in certain communities, but the threat of more foreclosures and tight credit markets still causes concern.

Local sales tax (a clear indication of consumer spending) is projected to decline 12% in the 10-11 proposed budget. Other revenue decreases reflective of the slow housing market include building permits and planning and zoning fees declining \$60,000 (15%), and reductions of landfill fees totaling \$156,587 (20%).

The state continues to reduce its' share of funding for K-12 education. It is projected that the School system will receive approximately \$6.1 million less (15%) in state funding for FY10-11.

Of significant note on proposed expenditures are the following:

- Continuing funding for the following items in the Information Technology Infrastructure area: computer replacement, security and licensing.
- 10 FTE's were eliminated from the General government side of the budget.

In terms of school funding for FY10-11, I am recommending the following:

- ☞ Increased local operational funding of \$2,835,076 – this increase is in response to decreased state funding for the schools of \$6.1 million or 15%.
- ☞ Continued School Capital funding of \$880,000 plus \$160,000 for school bus replacement and \$60,000 in reserve for future capital or debt service.

Other Highlights in the Budget Include:

- 0% salary increase,.2% employee contribution towards VRS

Major Capital Improvements proposed for FY10-11:

- Funds \$250,029 for Disaster Recovery Protection of Mission Critical Information as well as other Technology Infrastructure Improvements.
- Continues Landfill Monitoring and Groundwater Corrective Action Expenditures as well as preliminary engineering work on the new landfill. Funds a replacement collection truck and a truck to haul liquid waste (leachate) at the landfill.
- Includes \$242,522 for Fire/EMS Apparatus and Vehicles and \$137,750 for Law Enforcement Vehicles.
- Provides \$250,000 in local economic development funding incentives.
- Establishes a Job Creation Fund of \$200,000.
- Identifies recurring revenue for the replacement of school buses.

The recommendations outlined above are recommendations that require the 2010-2011 Budget be funded with the following tax rates:

Real Estate	\$0.49 per \$100 assessed valuation
Personal Property	\$2.09 per \$100 assessed valuation
Machinery & Tools	\$0.60/\$0.27 per \$100 assessed valuation
Merchants Capital	\$1.08 per \$100 assessed valuation

In closing, I would be remiss if I did not extend my utmost gratitude to the County's staff, who have worked diligently in the preparation of this plan. I would be happy to answer any questions which may have been generated and staff looks forward to working with you over the next several weeks to produce a plan that addresses our fiscal responsibilities for the coming year.

Respectfully submitted,

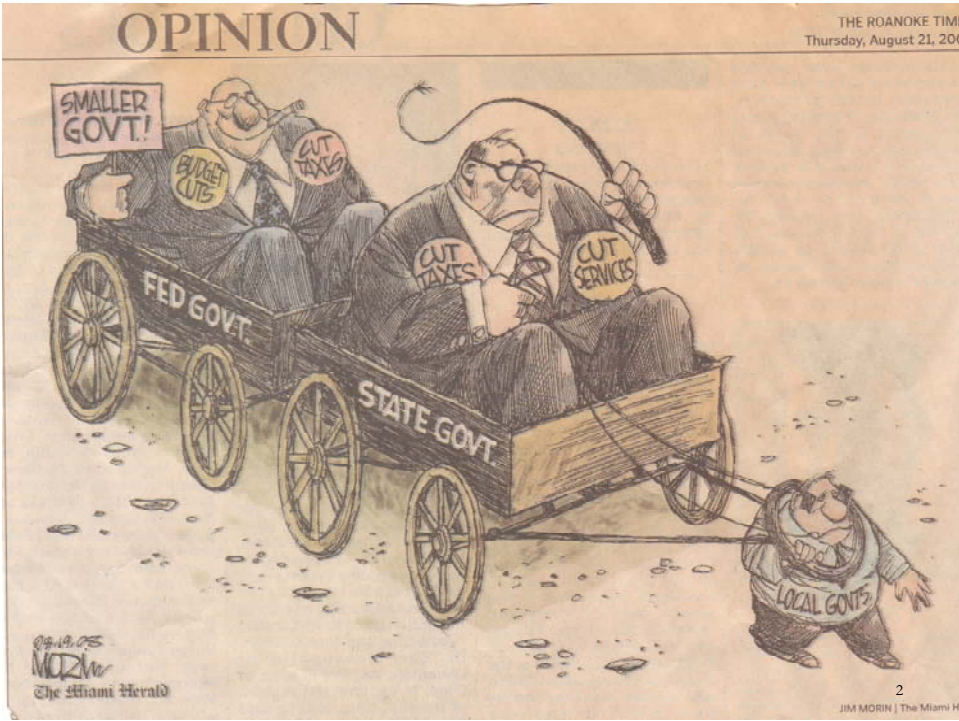
Richard E. Huff, II
County Administrator



Franklin County
A Natural Setting for Opportunity

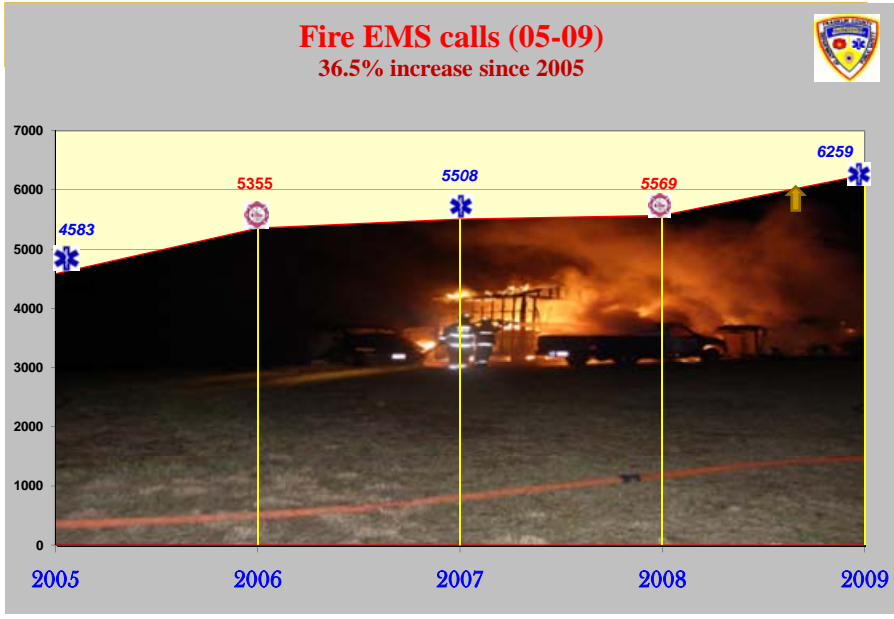
Proposed
Franklin County Fiscal Plan
2010-2011

County Administrator's Recommended Budget

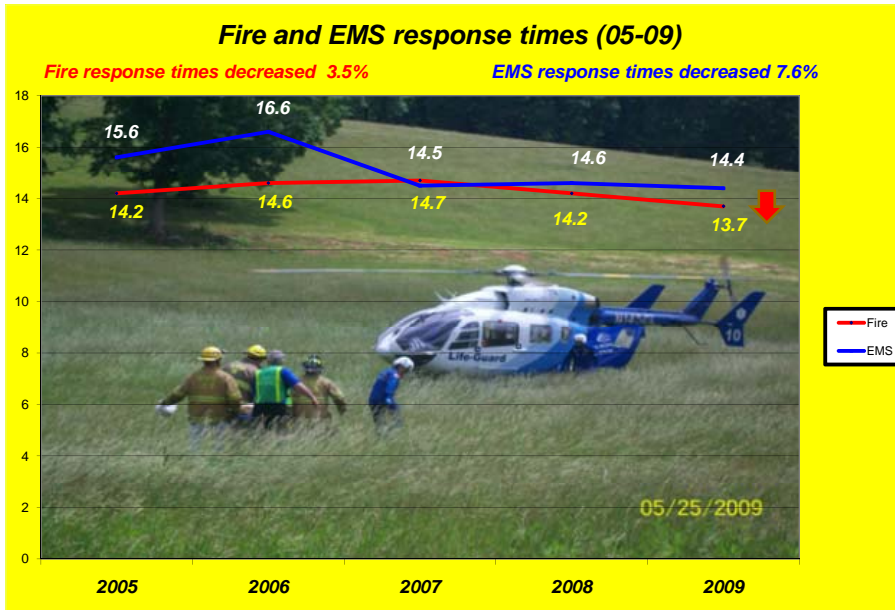


Franklin County, Virginia Population

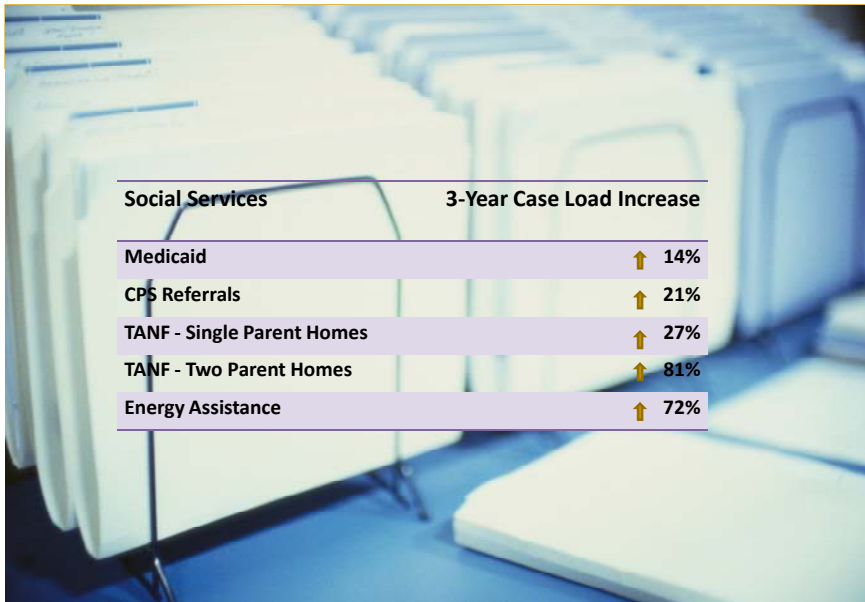




4



6



Social Services	3-Year Case Load Increase
Medicaid	↑ 14%
CPS Referrals	↑ 21%
TANF - Single Parent Homes	↑ 27%
TANF - Two Parent Homes	↑ 81%
Energy Assistance	↑ 72%

8

What Have We Done?

- Combination of Sluggish Economy and State Cuts Necessitated the Following, Before We Look at Next Year:
 - \$1,369,605 in reductions to absorb 4 rounds of state cuts on General Gov't Side.
 - Froze or Eliminated 19 Positions = \$880,000 (7% of workforce)
 - Landfill Hours Reduced to Cut Overtime Expenditures (not staffed sufficiently for hours the landfill was open)
 - Work Schedule for Paramedic/Firefighters Adjusted to Reduce Overtime and More Part Time Made Available to Avoid Holiday and Compensatory Time Build Up
 - Reduction of non-essential transports at Aging Services
 - Reduction of some athletic teams and specialty events within the Parks and Recreation Department

9

What Have We Done?

- Eliminated all Non-Essential Out of Town Travel/Training
- Salaries Frozen since July, 2008 and Insurance Increases Passed on to Employees on General Gov't Side
- Reduced/Eliminated Uniform Allowances
- Reduced Operating Expenses in Local Jail Due to Regional Jail Opening
- Jointly Reduced Staffing at the Regional Jail and Juvenile Detention Center by 9% & 20% Respectively
- Schools Eliminated 18 positions, Made Cuts to Programs
- Schools Absorbed \$648,000 in State Reductions in Current Year (\$122,000 in Basic Aid/Sales Tax and \$526,000 in Textbook Cuts)
- Expanded Use of Inmates (Work Release) to Assist With County Responsibilities

10

Sheriff's County Inmate Work Force Benefit

ASSIGNED INMATE WORK TASKS	NUMBER OF INMATES	DAILY INMATE WORK HOURS	DAYS WORKED PER WEEK	TOTAL YEARLY INMATE TASKS HOURS	TOTAL YEAR LABOR VALUE \$7.25/HOUR
Car Wash	1	12	7	4,380	\$31,755.00
General Custodial/Night	4	6	7	8,760	\$63,510.00
General Custodial/Day & Night	3	12	7	13,140	\$95,265.00
Goode & County Complex/Multiple Labor Tasks	1	15	7	5,475	\$39,693.75
Landfill	3	8	6	7,488	\$54,288.00
Animal Shelter	2	10, 8(Sat-Sun)	7	6,864	\$49,764.00
County Inmate Utility Truck Operator	1	16	7	5,824	\$42,224.00
Recreation Department	2	10	5	5,200	\$37,700.00
Senior Citizen Building	1	10	7	3,640	\$26,390.00
Franklin Memorial Park Cemetery	2	10	6	6,240	\$45,240.00
General Labor Work Force Off Site (Supervised)	5	8	4	8,320	\$60,320.00
General Labor Work Force for County Properties	2	16	7	11,648	\$84,448.00
Kitchen & Meal Preparation	6	8	5	12,480	\$90,480.00
Jail Laundry	2	16	7	11,648	\$84,448.00
Habitat Warehouse/Perinatal Center	2	3, 8(Weekend)	7	3,224	\$23,374.00
TOTALS	37	355 (Average)		114,331	\$828,899.75
Weekenders (Average)	4	8	2	3,328	\$24,128.00

11

Efficiency

- Schools Completed State Efficiency Report and Implemented 80% of the Recommendations
- No State Process Available for Local Government, but Staffing Comparisons with Comparable Counties Reveal Significantly Leaner Staffing Levels & Expenditures per Capita
- Test Scores vs Expenditures per Student All Positive When Compared to Peer Group
- Fewer Locally Funded Positions in Sheriff's Department Than Peers
- \$.46 Tax Rate

12

Awards



Two Government Finance Officers Awards-Consecutively for 9 years and 8 years respectively



Winner of Top Ten Award Nationally in Communities Less Than 150,000



Winner of Silver Award and Only Winner in the Under 60,000 population category



2010 Governor's Award for Educational Excellence
 Boones Mill Elementary, Burnt Chimney Elementary, Callaway Elementary, Glade Hill Elementary and Lee M. Waid Elementary

13

What are The Challenges?

- Fuel Costs Increasing \$400,000
- State Revenues Decreasing \$6.1 million
- Local Revenues Decreasing \$ 900,000
- Mandatory Local Government VRS Rates Increased \$175,000 (12.41% to 14.15%) State set the rate for state employees at 7.13% to save money and cap reimbursement on Constitutional Officers
- Regional Jail Costs Increasing \$130,000
- School Employees Have Chosen to Take the Health Insurance Benefit That Previously Did Not Depend On It \$545,000
- Loss of Federal Stimulus Funds \$2.3 million
- Local Jail Reimbursement Down \$135,000

14

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15

Three Year Look Ahead

- **FY10-11** Budget Being Deliberated Now
 - Local Composite Index (LCI) Has Hold Harmless Clause
 - \$2.3 million in Stimulus Funds Goes Away
 - Free & Reduced Lunches Increases to 48.9% of Students
 - Community Unemployment -9.5%
- **FY11-12** Reassessment Notices Go Out October, 2011, Effective January, 2012
 - LCI Hold Harmless Loses \$296,167
 - Title I Stimulus is Eliminated \$511,277
 - Title VI-B Stimulus is Eliminated \$928,908
- **FY12-13** Tax Rate Set in April, 2012, to be Collected at Adjusted Rate in December, 2012 Due to Reassessment
 - LCI Hold Harmless Loses Another \$296,167

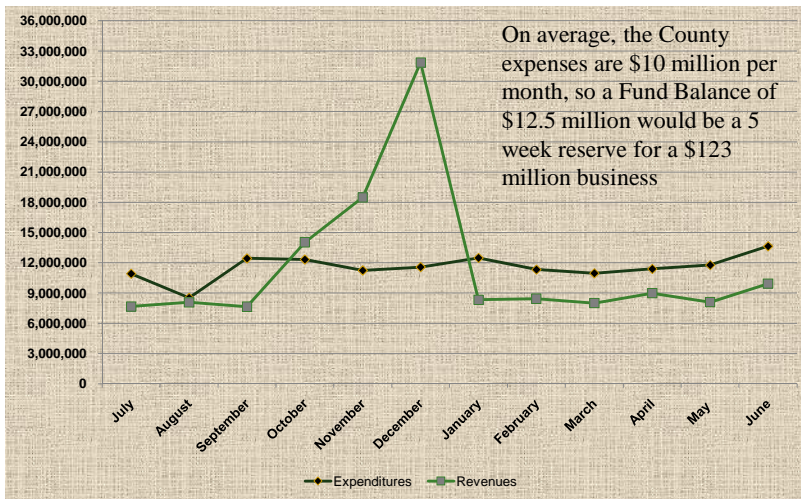
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Why Don't We...

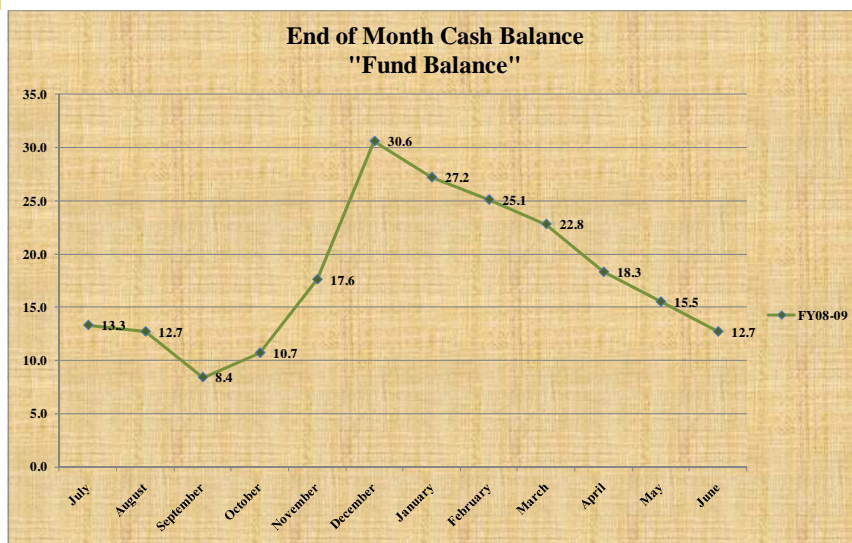
- **Consider Raising the Sales Tax**
 - The General Assembly must authorize any increase in the sales tax and they declined to allow any new taxes to be authorized in spite of lobbying by VML/VACO. 1¢ on the sales tax = \$3.2 million to Franklin County
- **Become Less Dependent on the State for Finances**
 - They are doing that for us! The State Constitution spells out responsibilities the state is responsible for like the Constitutional Officers and Public Education, but the state is redefining their “responsibility”
- **Figure Out How to Be Less Dependent on the Real Estate Tax Like More Consumption Taxes**
 - Again, the State would have to approve. Commercial development that will generate sales tax, personal property and real estate taxes, etc. will help. For example, \$155 million in new assessed value of real estate will generate the equivalent of 1¢ on real estate rate

17

Fund Balance



18




19

Employees

- State Employees are Not Impacted Financially in the FY10-12 Biennium Budget
 - No salary reductions
 - No furlough days
 - No employee VRS contribution shifting
 - 3% Bonus Planned in December, 2012
- County Employees Have Not Had a Raise Since July 1, 2008
- Health Insurance Premium Increases Passed on to Employees
- Frozen or Reduced Staffing Levels = 7% of Workforce

20

Zero Based Budgeting

- In zero-based budgeting, every department function is reviewed comprehensively and all expenditures must be approved, rather than only increases. Zero-based budgeting requires the budget request be justified in complete detail by each division manager starting from the zero-base. – Done 

21

Board of Supervisors' Responsibility

§ 22.1-94. Appropriations by county, city or town governing body for public schools.

A governing body may make appropriations to a school board from the funds derived from local levies and from any other funds available, for operation, capital outlay and debt service in the public schools. Such appropriations shall be not less than the cost apportioned to the governing body for maintaining an educational program meeting the standards of quality for the several school divisions prescribed as provided by law. **The amount appropriated by the governing body for public schools shall relate to its total only or to such major classifications prescribed by the Board of Education pursuant to § 22.1-115.** The appropriations may be made on the same periodic basis as the governing body makes appropriations to other departments and agencies.

22

Board of Supervisors’ Responsibility

§ 22.1-115. System of accounting; statements of funds available; classification of expenditures.

The State Board, in conjunction with the Auditor of Public Accounts, shall establish and require of each school division a modern system of accounting for all school funds, state and local, and the treasurer or other fiscal agent of each school division shall render each month to the school board a statement of the funds in his hands available for school purposes. The Board shall prescribe the following major classifications for expenditures of school funds: (i) instruction, (ii) administration, attendance and health, (iii) pupil transportation, (iv) operation and maintenance, (v) school food services and other noninstructional operations, (vi) facilities, (vii) debt and fund transfers, (viii) technology, and (ix) contingency reserves.

23

School Board’s Responsibility

§ 22.1-92. Estimate of moneys needed for public schools; notice of costs to be distributed.

B. Before any school board gives final approval to its budget for submission to the governing body, the school board shall hold at least one public hearing to receive the views of citizens within the school division. A school board shall cause public notice to be given at least ten days prior to any hearing by publication in a newspaper having a general circulation within the school division. The passage of the budget by the local government shall be conclusive evidence of compliance with the requirements of this section.

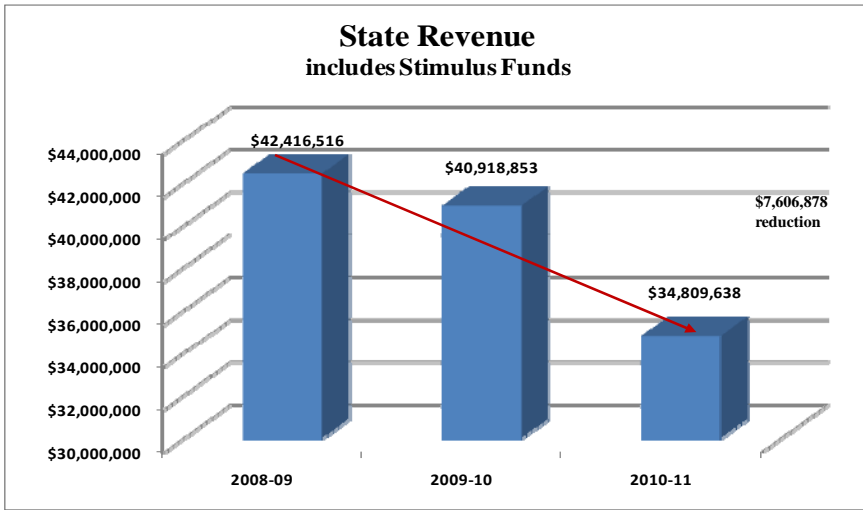
24

School Board’s Recommendation

County Funds			
9.52	Funds for Operations	25,678,551	28,000,506 2,321,955
9.53	Funds for Facilities	0	0 0
9.54	Funds for Debt Service	3,107,459	3,047,459 (60,000)
9.55	Funds for Future Debt Service	0	60,000 60,000
9.56	Funds for Windy Gap Capital Items	497,752	0 (497,752)
9.57	School Capital Funds to Operations	0	220,000 220,000
9.58	Funds Reserved for Future School Capital Projects to Operations	0	615,076 615,076
9.59	Energy Fund Carryover to Operations for Electricity	0	199,874 199,874
9.60	Less Requested Local Effort Credit to be Paid by Franklin County	0	0 0

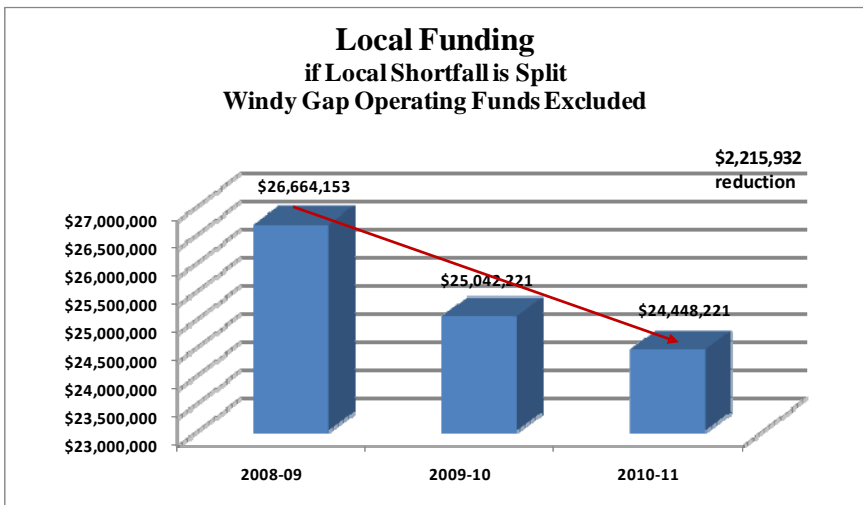
25

School Funding History



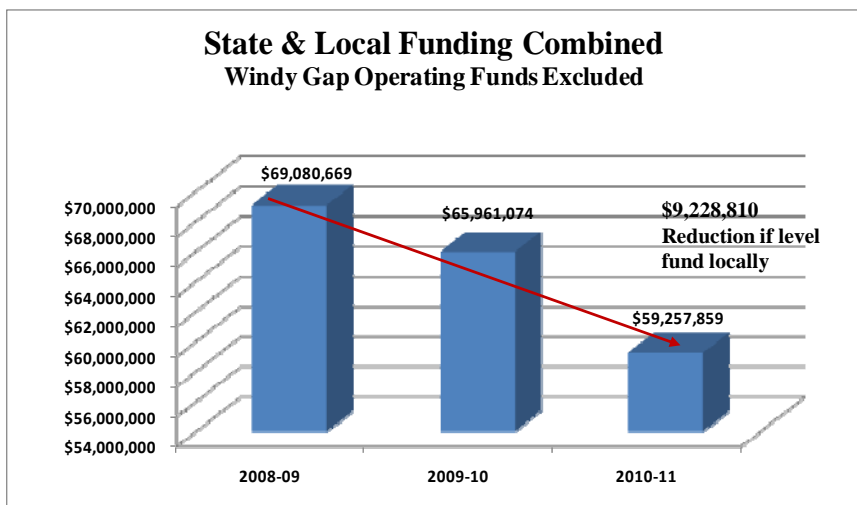
26

School Funding History



27

School Funding History



29

If the County Does Nothing to Assist Schools...

Fiscal Year	State Funds*	Local Funds**	State & Local Funding	Difference
2008-09	\$42,416,516	\$ 26,664,153	\$ 69,080,669	
2009-10	\$40,918,853	\$ 25,042,221	\$ 65,961,074	\$(3,119,595)
2010-11	\$34,809,638	\$ 24,448,221	\$ 59,257,859	\$(6,703,215)
*includes stimulus				\$(9,822,810)
** assumes local shortfall in FY10 is split w/ schools & separates Windy Gap Elem.				

Assumes Windy Gap Elem School Operating Funds are excluded from analysis of operating funds left for all other operations and assumes that the local revenue shortfall in FY11 is split with the schools

30

Budget Development Priorities

- Hold core services (Law Enforcement, Public Safety, Education, Aid to Children) intact as much as possible
- Eliminate the use of one time funds to support on-going expenses – This is exactly what has gotten the state into the problem they are in by back filling cuts with one time Stimulus Dollars
- The recommended budget needs to address two budget years in terms of structural changes and anticipating the economy not rebounding significantly in the next 24 months
- Everyone needs to share in the solution
- Do not jeopardize the County’s AA3 Bond Rating

31

Budget Recommendations – General Gov’t

- Significant Expenditure Reductions
- Requirement for ALL Employees to Contribute 2% of Salary to Va Retirement System (VRS)
- Eliminate All One Time Funds From FY11 Budget

32

Budget Recommendations- General Gov't

- Operating (non personnel) Budgets Were Significantly Reduced
 - County Admin. – 16.62%
 - Commissioner of Revenue – 11.25%
 - Finance – 11.44%
 - Human Resources – 25.77%
 - Building Inspections – 12.4%
 - Parks & Rec – 15.23%
 - Planning & Comm Dev – 29.05%
 - Franklin Center - 14.11%
 - GIS - 17.62%
 - Outside/External Agencies – 5% overall
-

33

Budget Recommendations- General Gov't

- Eliminated Funding from the Budget for the Following Positions:
 - Planner II
 - Real Estate Appraiser
 - GIS Coordinator
 - Equipment Operator I-Landfill
 - Deputy Clerk of Court
 - Animal Control Officer
 - 2 DSS Positions Funded with One Time Funds
 - 2 Family Resource Case Managers (replaced with PT)
-

34

Budget Recommendations – General Gov't

- Reinstate 4 vacant Deputy Sheriff positions to bring law enforcement back to full staffing
 - Fully fund the Department of Social Services' request to cover the costs of expanding demands on services in spite of withdrawal of support from state funding sources
 - Cover an anticipated surge in Comprehensive Services Act (CSA) requests for local dollars due to state expanded eligible population and a shifting to the localities of a greater share of the costs associated with severe cases that require residential treatment
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35

Budget Recommendations – General Gov’t

Economic Development

- Establish a Board of Supervisors’ **Job Creation Fund** to improve the County’s competitiveness in aggressively pursuing new jobs for our community. These funds will be directed by the BOS to match Governor’s Opportunity Fund and Tobacco Fund Incentives, marketing, and private sector interest generation in product development
- Increase the Funding Support for **Infrastructure Development and Business Creation Fund**
 - Could piggyback Congressional request that has been submitted for additional Public Safety tower sites for private sector partnership for broadband deployment
 - Could use to enhance Congressional request that has been submitted to get the gas line project “shovel ready” through engineering plans completion

36

Budget Recommendations - Schools

- Fund \$2,000,000 in additional local dollars for operations
- Reserve the \$615,076 in remaining FY10 capital dollars in the School Capital Fund
- Fund \$615,076 request in school operating with recurring local dollars, **not one time dollars**
- Retain the \$199,874 in energy reserve in the School Capital Fund as an emergency reserve. *The anticipated 17% increase in AEP rates should be closer to 3% per the SCC recommendation and can be absorbed, especially with E (Environmental) Charge coming off in January, 2011*

37

Budget Recommendations - Schools

- Allow \$220,000 of CIP money (\$1.1 million) to be permanently moved to operations and reduce CIP Allocation in future years to \$880,000 until funds are available to increase. *This fund needs more financial support in the future in light of aging buildings and infrastructure it must cover*
- Buses - Recommend \$160,000 of recurring money to be added to \$615,076 Capital carryover to be held for buses and recurring stream be increased in future years as funds are available. *Not buying buses will create a backlog at some point that will be difficult to deal with. Carryover should also be prioritized here as well*

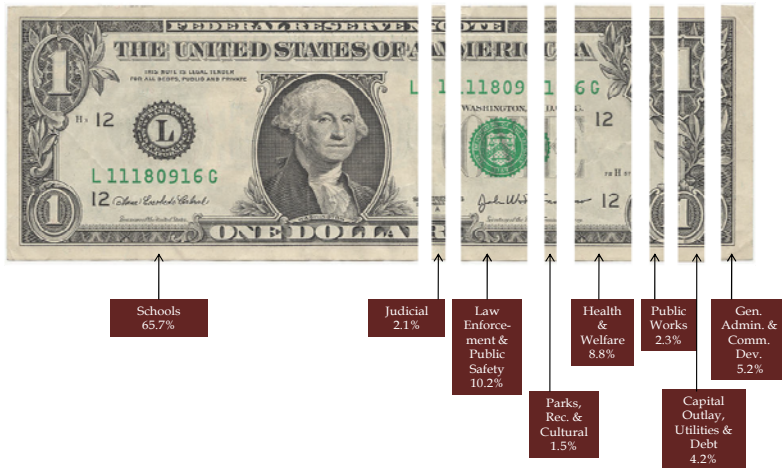
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Budget Recommendations - Schools

- These recommendations will fund within \$300,000 of the School Board’s recommended budget which is \$2,835,076 more than level funding
- Preliminary indications are, unless a program is being eliminated and the employee is not certified or qualified to fill another position, no employees should lose an existing job except for poor performance
- School Employees Must Be Required to Contribute 2% of Salary for VRS Pension Benefits, the Same as General Gov’t Employees

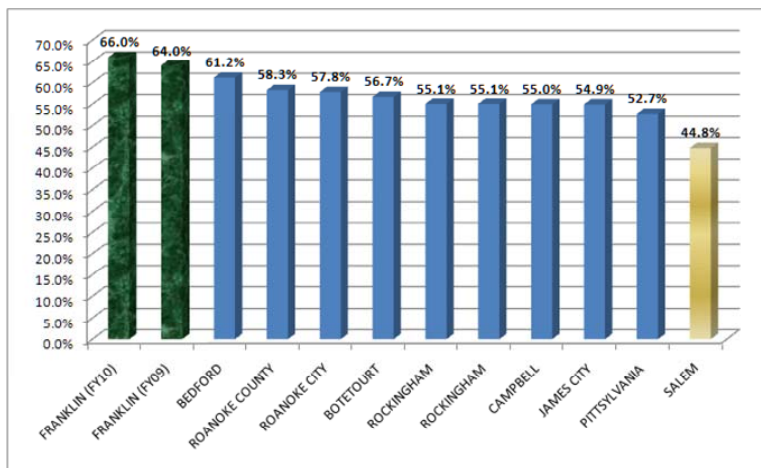
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Franklin County FY 10-11 Proposed Budget Expenditures



40

% of Budget Dedicated to Schools is an Irrelevant Measure

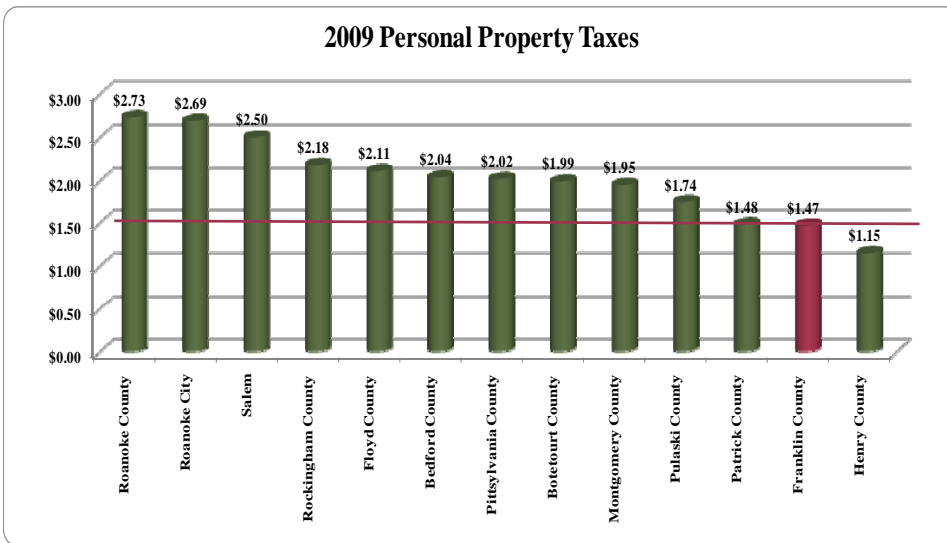


41

How Do We Get to a Fair & Equitable Budget Balancing Strategy?

- In spite of expenditure line item cuts made, positions eliminated, take home pay reductions, and reduced services, additional revenues will be required to fund this recommended budget
- The first proposal is to increase Personal Property Tax by 20 cents per \$100 value

42



43

Personal Property – 20 cent increase in Rate

<i>Current Calculations</i>			<i>Current</i>			
<u>Cost</u>	<u>Loan Value</u>	<u>Adjusted Value</u>	<u>Adjusted Tax \$1.89</u>	<u>Current PPTRA</u>	<u>Net Tax Due</u>	
Vehicle 1	10,000.00	0.78	7,800.00	147.42	87.73	59.69
Vehicle 2	10,000.00	0.78	7,800.00	147.42	87.73	59.69
Total Tax Due for Two Vehicles						119.38
<i>Proposed Increase Scenario</i>			<i>Proposed</i>			
<u>Cost</u>	<u>Loan Value</u>	<u>Adjusted Value</u>	<u>Adjusted Tax \$2.09</u>	<u>Current PPTRA</u>	<u>Net Tax Due</u>	
Vehicle 1	10,000.00	0.78	7,800.00	163.02	87.73	75.29
Vehicle 2	10,000.00	0.78	7,800.00	163.02	87.73	75.29
Total Proposed Tax Due for Two Vehicles						150.58
Yearly Increase for two Vehicles Monthly					31.20	
					→	2.60

44

How Do We Get to a Fair & Equitable Budget Balancing Strategy?

- In spite of expenditure line item cuts made, positions eliminated, take home pay reductions, and reduced services, additional revenues will be required to fund this recommended budget
- The second proposal is to increase the Real Estate Tax Rate by 3 cents per \$100 value.

45



46

Real Estate – 3 cents increase in Rate

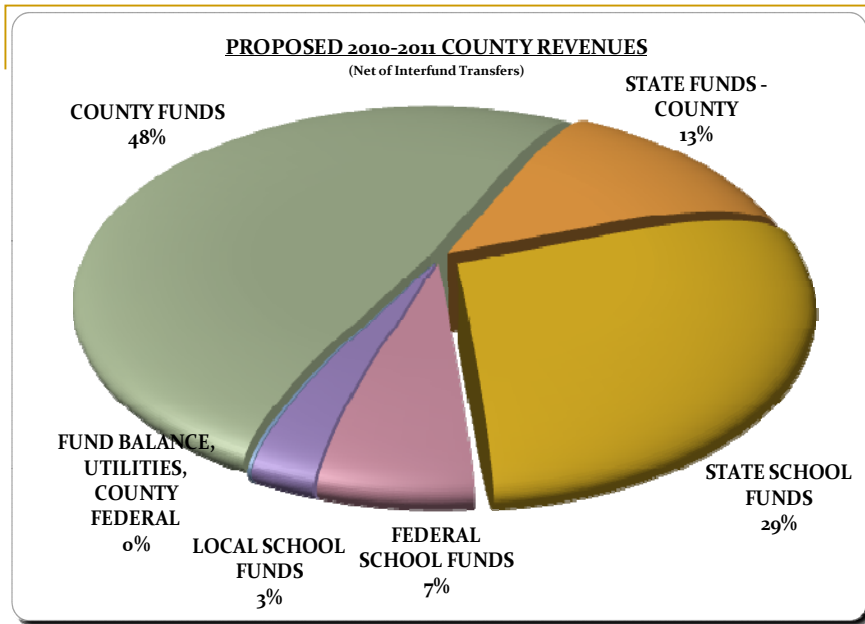
Real Estate Assessment	Real Estate Tax -Current \$.46/\$100 value	3 penny increase \$.49/\$100 value Generates \$2,160,000	Difference Annually	Difference Monthly
\$ 175,000	\$ 805.00	\$ 857.50	\$52.50	\$4.38
\$ 200,000	\$ 920.00	\$ 980.00	\$60.00	\$5.00
\$ 225,000	\$ 1,035.00	\$ 1,102.50	\$67.50	\$5.63
\$ 250,000	\$ 1,150.00	\$ 1,225.00	\$75.00	\$6.25
\$ 275,000	\$ 1,265.00	\$ 1,347.50	\$82.50	\$6.88
\$ 300,000	\$ 1,380.00	\$ 1,470.00	\$90.00	\$7.50

47

Real Estate – 3 cents increase in Rate - Agricultural Example

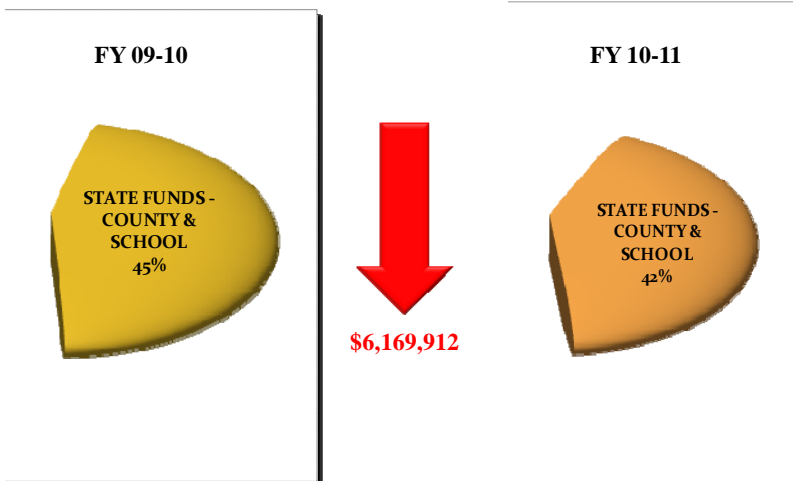
Agricultural Example	Real Estate Assessment	Current Tax Paid @ \$.46	Proposed Tax @ \$.49	Annual Difference	Monthly Difference
150 acres x \$550/acre crop land use value =	\$ 82,500.00	\$ 379.50	\$ 404.25	\$ 24.75	\$ 2.06
150 acres x \$300/acre pasture land use value =	\$ 45,000.00	\$ 207.00	\$ 220.50	\$ 13.50	\$ 1.13

48

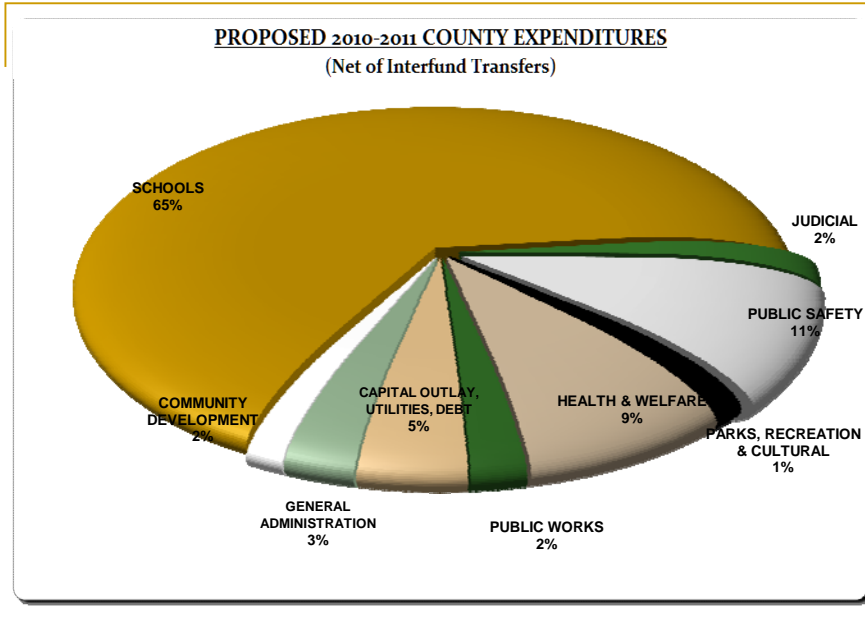


49

State Support Drops Significantly...



50



51

Proposed Revenues – FY11

REVENUES	FY 2009-2010 ADOPTED	FY 2010-11 PROPOSED	FY 2009-2010 / FY 2010-11 DIFFERENCE	% CHANGE
COUNTY FUNDS	55,715,668	58,304,332	2,588,664	4.65%
STATE FUNDS - COUNTY	15,234,738	15,174,041	-60,697	-0.40%
STATE SCHOOL FUNDS	40,918,853	34,809,638	-6,109,215	-14.93%
FEDERAL SCHOOL FUNDS	7,684,747	8,128,770	444,023	5.78%
LOCAL SCHOOL FUNDS	3,504,324	3,476,122	-28,202	-0.80%
FUND BALANCE, UTILITIES, COUNTY	813,155	205,123	-608,032	-74.77%
TOTALS	123,871,485	120,098,026	-3,773,459	-3.05%

52

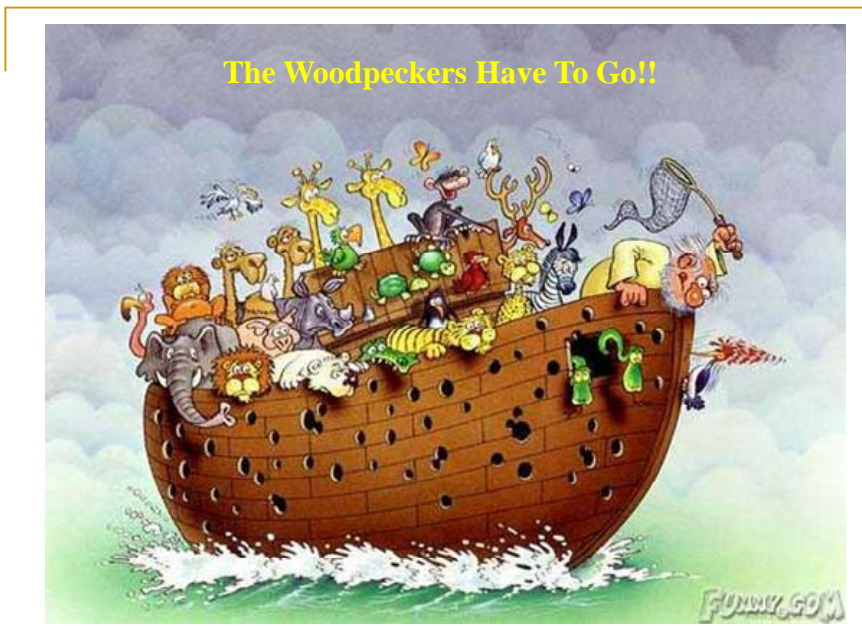
Proposed Expenditures – FY11

EXPENDITURES	FY 2009-2010 ADOPTED	FY 2010-2011 PROPOSED	FY 2009-2010/2010-2011 DIFFERENCE	%	PERCENT OF TOTAL
SCHOOLS	81,424,672	78,008,602	-3,416,070	-4.20%	64.95%
JUDICIAL	2,611,872	2,378,970	-232,902	-8.92%	1.98%
PUBLIC SAFETY	12,673,336	12,601,465	-71,871	-0.57%	10.49%
PARKS, RECREATION & CULTURAL	1,816,886	1,742,623	-74,263	-4.09%	1.45%
HEALTH & WELFARE	10,871,595	11,065,318	193,723	1.78%	9.21%
PUBLIC WORKS	2,794,228	2,880,683	86,455	3.09%	2.40%
CAPITAL OUTLAY, UTILITIES, DEBT	5,560,721	5,653,461	92,740	1.67%	4.71%
GENERAL ADMINISTRATION	3,823,114	3,715,408	-107,706	-2.82%	3.09%
COMMUNITY DEVELOPMENT	2,295,061	2,051,496	-243,565	-10.61%	1.71%
TOTALS	123,871,485	120,098,026	-3,773,459	-3.05%	100.00%

53

April 2010							March 2010	May 2010					
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	S	M	T	W	T	F	S
28	29	30 <small>6:30PM - 8:30PM County Administrator to Present Budget to BOS (FCGC)</small>	31	1 <small>6:00PM - 9:00PM BOS Budget Worksession (FCGC-Training Room-B75)</small>	2 <small>6:00PM - 9:00PM BOS Budget Worksession (FCGC-Training Room-B75)</small>	3	1	2	3	4	5	6	7
4	5 <small>Deadline to Set Tax Rates</small>	6	7 <small>Ad to Run in Newspe...</small>	8 <small>7:00PM - 8:00PM Snow Creek Community Meeting</small>	9	10	8	9	10	11	12	13	14
11	12 <small>6:30PM - 8:30PM Boone District Community Meeting (Coopers Cove Community Center)</small>	13 <small>6:30PM - 8:30PM Boone District Community Meeting (Heathwood Apartments Community Meeting)</small>	14 <small>Ad to Run in Newspe...</small>	15	16	17	15	16	17	18	19	20	21
18	19	20 <small>1:30PM - 5:00PM Regular BOS Meeting 7:00PM - 12:00AM BOS Budget Public Hearing (High School Auditorium)</small>	21	22	23	24	22	23	24	25	26	27	28
25	26	27 <small>6:00PM - 8:00PM Adair County Budget (FCGC-BOS Room)</small>	28	29	30	1	29	30	31	1	2	3	4

54



55



Many Thanks to All the County Staff Who Have Worked So Diligently in Compiling This Recommended Fiscal Plan!

QUESTIONS?

56

Chairman Wagner recessed the meeting.

Chairman Wagner reconvened the meeting in the County Training Room (B75) for a budget work session.

General discussion ensued regarding the proposed FY 2010-2011 budget.

Mr. Huff stated the proposed increase of revenue from the recommended tax increases would generate approximately \$3.1 million a year.

Richard E. Huff, II, County Administrator, advised the Board, a VACO Regional Meeting will be held in Chatham Wednesday to consider state budget matters for next year. The consensus of the Board was to not attend the meeting.

Chairman Wagner recessed the meeting until Thursday, April 1, 2010 @ 6:00 P.M. for a scheduled budget work session.

CHARLES WAGNER
CHAIRMAN

RICHARD E. HUFF, II
COUNTY ADMINISTRATOR