

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD BUDGET MEETING ON TUESDAY, APRIL 6, 2010, AT 6:30 P.M., IN THE COUNTY TRAINING ROOM (B75) 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  
B. J. Jefferson, County Attorney  
Sharon K. Tudor, MMC, Clerk

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Chairman Charles Wagner called the meeting to order.

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**PROPOSED 2010-2011 COUNTY BUDGET WORK SESSION**

Richard E. Huff, II, County Administrator, walked through with the Board the definition of local, level funding as previously agreed upon by the Board of Supervisors and the School Board as follows:

<b>Franklin County</b>				
<b>Proposed Local School Funding</b>				
<b>Level Funding from County</b>				
<b>Operations:</b>				
		<b>FY 09-10</b>	<b>Proposed FY 10-11</b>	<b>Change</b>
Local Funding for Operations		25,798,013	25,798,013	0
Debt Service		2,987,997	2,927,997	(60,000)
Canneries		32,986	32,986	0
<b>Total</b>		<b>28,818,996</b>	<b>28,758,996</b>	<b>(60,000)</b>
<b>County Capital Fund:</b>				
One-Time for Windy Gap Capital		497,752	0	(497,752)
County Capital Fund:		1,100,000	1,100,000	0
Reserved for Future Debt Service Needs		0	60,000	60,000
<b>Total</b>		<b>1,597,752</b>	<b>1,160,000</b>	<b>(437,752)</b>

Richard E. Huff, II, County Administrator, reiterated to the Board the following steps the County has accomplished in balancing the proposed FY 10-11 budget:

**Franklin County**  
**What Have We Done to Balance the Budget for FY10-11?**

- Realistically projected revenues and addressed an estimated \$839,000 in reduced local revenues for FY10-11 while at the same time expressing true amazement at the State projecting increased revenues for the Commonwealth.
- Absorbed \$1.3 million in state cuts over the past two years – local government
- Schools absorbed \$648,000 in state reductions in current year.
- Reduced/eliminated travel, training, office supplies, uniform expenditures from all county operating departments.
- Eliminated/frozen 18 positions over the past two years – 7% of total County positions and producing annual savings of \$830,000 in salaries and benefits.
- Health and Dental Insurance premium increases passed on to employees.
- County salaries frozen since July 2008.
- 2% VRS contribution by County and School employees.
- Modified work schedules in public safety and reduced landfill operating hours in a concentrated effort to reduce overtime, compensatory time and part time expenses in those respective departments.
- 10 % reduction to some external agencies – 5% reduction to other external agencies.
- Supported/encouraged expenditure reductions in the budgets of our regional partners such as the Juvenile Detention Center (20% of workforce eliminated) and the Regional Jail (17 positions - 9% of workforce) so that huge per diem increases were not passed on to the County.
- Reduced operating expenses in local jail since opening of regional jail.
- Reduction of 18 school positions.
- Spread some capital funding over two years.
- Decreased the hours of availability at the Franklin Center.
- Reduced non-essential transports in Aging Services.
- Reduced special events in Parks and Recreation as well as some reduction in athletic teams.
- Implemented VOIP (Voice Over Internet Protocol) phone system technology, thereby saving the County significant costs on monthly phone bills.
- Expanded the utilization of work release inmates to supplement county workforce in areas of general properties, parks and the animal shelter.
- Extended the estimated useful life of vehicles before they are scheduled for replacement.
- Eliminated all one time funds for FY11.
- Double digit percentage reductions in numerous County department operating budgets.

Mr. Huff shared with the Board a listing of proposed cuts provided by Charles Lackey, School Superintendent , as proposed in the FY 10-11 School Budget as follows:

Franklin County Public Schools has made a recommendation to the County Board of Supervisors as to its recommended budget for 2010-2010. This budget represents over \$2 million in cuts. The cuts that are included in Option 1 are as follows:

- French at the middle school will be eliminated
- Spanish in the elementary school will be significantly reduced
- Elimination of the strings and violin program at the elementary school
- Elimination of the Community Alternative Program for Suspensions (CAPS) 2009
- Physical Education classes at the middle school will be significantly reduced
- Elimination of the Graphic Arts program at the middle school
- Elimination of the Swim program at the YMCA for all 6<sup>th</sup> graders 2009
- Elementary Assistant Principal Positions (2) eliminated. These were used for training of potential emerging candidates and served to provide additional evaluation, safety and discipline services at four difficult elementary settings
- Science Museum dues eliminated which cuts out elementary and middle school field trips to the site which supports SOLs
- Staff development division wide reduced significantly. Means that our staff will not be trained by experts in new and emerging programs, service and state requirements
- Middle and high school assistant principal positions (2) eliminated. This impacts supervision, discipline, safety and evaluation at these major sites
- Yearbook will no longer be offered as an elective at the middle school
- Elimination of high school business position (1) and reduction of offerings

- Field trips significantly reduced thus making it more difficult for economically disadvantaged (and all) children to experience out of county sites and services
- Professional conferences eliminated out of state. Many new ideas and programs in the county were identified through such conferences
- Professional conferences significantly reduced in state
- Scenario 1 represents over \$2 million in cuts through 44 positions (23.5 teaching positions, 7 administrative positions and additional support positions) and program cuts as indicated.
- Franklin County High School band reductions including staff and program reductions
- Instructional Technology Resource Teachers cuts (4) district wide-Elimination of the district Public Relations position
- Transportation cuts including routes (2009 and 2010) personnel and equipment
- Maintenance cuts in Purchasing and heating and air conditioning
- Reduction of \$35,000 to the middle school sports program
- Reduction of Art and fine arts positions at the elementary level resulting in less planning time for teachers and non professional art and music instruction.

Mr. Huff shared with the Board the following breakdown for business personal property:

Franklin County							
Analysis of Separate Business Personal Property Tax Rate on Total Personal Property Revenue							
		Current Tax @ Assessment	Proposed Tax @ Assessment	Business PP @ \$1.89	Business PP @ \$1.94	Business PP @ \$1.99	Business PP @ \$2.04
All Business Property	\$93,518,283	\$1,767,496	\$1,954,532	\$1,767,496	\$1,814,255	\$1,861,014	\$1,907,773
All Other Personal Property	\$355,155,349	\$6,712,436	\$7,422,747	\$7,609,783	\$7,563,024	\$7,516,265	\$7,469,506
Total Tax Assessment	\$448,673,632						
Total Tax Revenue		\$8,479,932	\$9,377,279	\$9,377,279	\$9,377,279	\$9,377,279	\$9,377,279
<b>Rate Required for Non-Business Taxpayers to Generate Same Amount of Revenue:</b>				<b>\$2.14</b>	<b>\$2.13</b>	<b>\$2.12</b>	<b>\$2.10</b>

General discussion ensued.

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Mr. Huff briefed the Board on the different classifications for business personal property within the State Code Sections as follows:

**§ 58.1-3508.2. Separate classification of machinery and tools used in other businesses.**

Heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers owned by businesses other than those set forth in §§ 58.1-3507, 58.1-3508, and 58.1-3508.1 shall constitute a classification for local taxation separate from other classifications of tangible property. The rate of tax imposed by a county, city, or town on such machinery and tools shall not exceed the rate imposed upon the general class of tangible personal property

**§ 58.1-3507. Certain machinery and tools segregated for local taxation only; notice prior to change in valuation, hearing.**

A. Machinery and tools, except idle machinery and tools as defined in subsection D and machinery and equipment used by farm wineries as defined in § 4.1-100, used in a manufacturing, mining, **water well drilling**, processing or reprocessing, radio or television broadcasting, dairy, dry cleaning or laundry business shall be listed and are hereby segregated as a class of tangible personal property separate from all other classes of property and shall be subject to local taxation only. The rate of tax imposed by a county, city or town on such machinery and tools shall not exceed the rate imposed upon the general class of tangible personal property. Idle machinery and tools are taxable as capital under § 58.1-1101.

Mr. Huff shared with the Board a breakdown of Parks & Recreation Classes, Program & Special Events and estimated expenditures as follows:

**Franklin County Parks & Recreation**

**Classes, Programs & Special Events Estimated Expenditures**

Prepared on February 4, 2010

<b><u>Class, Programs or Special Event</u></b>	<b><u>Items to Purchase</u></b>	<b><u>Estimated Cost</u></b>
	-	-
*ART CLASSES-Spring, Summer and Fall	Paint, crayons, markers, etc.	\$600.00
ASTRONOMY PROGRAMS- Spring, Summer and Fall	Na	Na
*COMPUTER CLASSES-Spring, Summer & Fall	Na	Na
*DOG OBEDIENCE CLASSES-Spring, Summer & Fall	Na	Na
*CORNHOLE TOURNAMENTS-monthly	Na	Na
*SCRAPBOOKING WORKSHOPS- monthly	Na	Na
VALENTINE CARD CONTEST CEREMONY- February	Trophies & misc. supplies	\$250.00
*WINTER FAMILY GAME NIGHT/BINGO- February	Prizes & misc. supplies	\$250.00
*WINTER X-BOX 360 TOURNAMENT- February	Awards, t-shirts & misc. supplies	\$400.00
EASTER EGG HUNT-April <b>Already eliminated in Proposed Budget FY 10-11</b>	Eggs, prizes & misc. supplies	\$3,000.00
HERSHEY TRACK & FIELD-May	Na	Na
*PIGG RIVER RAMBLE WEEKEND- May	Prizes & misc. supplies	\$2,000.00
*SPRING SKATEBOARDING COMPETITION- May	Awards, food & misc. supplies	\$500.00
*SUMMER ART CAMP-July	Craft Projects	\$150.00
*KIDS DRIVE PITCH & PUTT COMPETITION-July	Trophies, food & prizes	\$500.00
4 <sup>th</sup> of JULY INDEPENDENCE FESTIVAL-July <b>Already eliminated .....</b>	Prizes, crafts & misc. supplies	\$2,500.00
MOVIES @ THE AMP-August	Movie Fee	\$175.00
MOVIES @ THE AMP-September	Movie Fee	\$175.00
MOVIES @ THE AMP-October	Movie Fee	\$175.00
BLUE RIDGE AUTUMN FESTIVAL-October <b>Already eliminated .....</b>	Pumpkins, awards & misc. supplies	\$2,000.00
BLUE RIDGE FOLKLIFE FESTIVAL-Horseshoes & Checkers Tournaments-October	Trophies & misc. supplies	\$200.00
*FALL SKATEBOARDING COMPETITION- October	Awards, food & misc. supplies	\$500.00
KIDS FISHING DERBY-October	Trophies, prizes, food & misc. supplies	\$500.00
*FALL FAMILY GAME NIGHT-November	Prizes & misc. supplies	\$250.00
*FALL X-BOX 360 TOURNAMENT- November	Awards, t-shirts & misc. supplies	\$400.00
COME HOME TO A FC CHRISTMAS- Build A Bear-December	Bears, poly fill	\$3,000.00

<b>Already eliminated....</b>	& misc. supplies	
<b>CHRISTMAS CARD CONTEST/TREE LIGHTING CEREMONY- December</b>	Trophies & misc. supplies	\$250.00
<b>CRIMINAL HISTORY BACKGROUND</b>	Background checks every other year	\$2,000.00
<b>*ADULT ATHLETICS</b>	Equipment	\$5,262.00
<b>YOUTH ATHLETICS</b>	Equipment	\$25,475.00
		<b>\$50,512.00</b>
		<b>10,500.00</b>
		<b>\$40,012.00</b>

**Already eliminated in Proposed FY 10-11 Budget**

\*A fee is charged for class, program or event and revenue goes into the General Fund.

Total budget for operating Youth Athletics, Adult Athletics, programs, classes and special events is **\$50,512.00**.

**Prepared by:** Marcia Cramblitt, Recreation Programs Manager

X 10%  
\$4,001.20

In closing, Mr. Huff presented the following revenue enhancement and expenditure reduction options to the Board for their consideration should the Board wish to reduce the amount of the proposed tax increase by choosing any of these items:


### FRANKLIN COUNTY FY 2010-2011 WORKING BUDGET

Revenue Enhancements		Expenditure Reductions	
Description	Amount	Description	Amount
Park & Rec Athletic Fee \$20 each - No sliding scale	\$ 80,000.00	Eliminate Jobs Creation Fund	\$200,000.00
<a href="#">Eliminate Amnesty on RE interest</a>	\$ 67,000.00	<a href="#">Reduce Central &amp; Westlake Library hours-</a>	\$32,343.89
Increase Vehicle Decals by \$5.00 per decal	\$ 200,000.00	<a href="#">Parks &amp; Rec Eliminate direct cost of Programs &amp; Events by an additional 10%</a>	\$5,000.00
Machinery & Tools 5¢	\$ 40,000.00	Cut External Agencies by an additional 5%	\$6,250.00
Add 1¢ to Real Estate	\$ 720,000.00	Cut Part-time salary by 2% for County	\$13,000.00
Add 1¢ to Real Estate	\$ 720,000.00	Cut part-time salary by 2% for Schools	

Starting Amount Out Of Balance:  
\$(3,120,000.00)

Adjusted Amount with changes:  
\$(3,120,000.00)

Add 1¢ to Real Estate	\$720,000.00	<input type="checkbox"/>	Eliminate West Piedmont Plan Dist Commission Membership	\$20,089.00
<a href="#">Add 10¢ to Personal Property</a>	\$480,000.00	<input type="checkbox"/>	Eliminate Roanoke Valley Alleghany Regional Commission Membership	\$29,725.00
Add 10¢ to Personal Property	\$480,000.00	<input type="checkbox"/>	<a href="#">Reduce Local transfer to Schools by (amount above level local funding)</a>	\$2,835,076.00
Add 10¢ to Personal Property	\$480,000.00	<input type="checkbox"/>	Reduce Local transfer to Schools by 1¢ on Real Estate	\$720,000.00
<a href="#">Increase Business Personal Property by 5¢ (everything else equalized)</a>	\$(46,759.00)	<input type="checkbox"/>	Reduce Local transfer to Schools by 2¢ on Real Estate	\$1,400,000.00
Increase Business Personal Property by 10¢ (everything else equalized)	\$(93,518.00)	<input type="checkbox"/>	Reduce CSA cushion by	\$150,000.00
Increase Business Personal Property by 15¢ (everything else equalized)	\$(140,277.00)	<input type="checkbox"/>	Reduce Juvenile Detention by	\$50,000.00
Add Back Increase Dog Tags from \$4 to \$10	\$(15,000.00)	<input type="checkbox"/>	<a href="#">Reduce funding to volunteer Fire/EMS agencies by 5%</a>	\$22,000.00
		<input type="checkbox"/>	Eliminate Sheriff Department Deputy (each)	\$8,000.00
		<input type="checkbox"/>	Cut BOS salary by 2% (per supervisor request)	\$1,132.00
		<input type="checkbox"/>	Passback additional 1% VRS to employees-County/School	\$500,000.00
		<input type="checkbox"/>	Reduce County cell	\$4,400.00

phones an addition 10%	
Reduce Sheriffs cell phone by 10%	\$7,400.00

General discussion ensued.

Mr. Angell stated he felt the personal property rate should be advertised at \$2.14 and personal property tax for all other classes (businesses) to remain at \$1.89 and two of the deputy positions should be transferred from the Sheriff's Department (County Side) to the Comp Board for funding.  
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**AUTHORIZATION TO ADVERTISE FOR PUBLIC HEARING/PROPOSED FY' 2010-2011 COUNTY BUDGET – APRIL 20, 2010 (RESOLUTION #01-04-2010)**

BE IT THEREFORE RESOLVED, by the Board of Supervisors to authorize staff to advertise for public hearing the proposed FY'2010-2011 County Board for April 20, 2010 @ 7:00 P.M with the following tax rates:

Real Estate	\$0.49 per \$100 assessed valuation
Personal Property	\$2.14 per \$100 assessed valuation
Personal Property Business (Code Section 58.1-3508.2)	\$1.89 per \$100 assessed valuation
Machinery & Tools	\$0.60/\$0.27 per \$100 assessed valuation
Merchants Capital	\$1.08 per \$100 assessed valuation

MOTION BY: Bobby Thompson  
 SECONDED BY: Wayne Angell  
 VOTING ON THE MOTION WAS AS FOLLOWS:  
 AYES: Mitchell, Cundiff, Angell, Bobby Thompson & Wagner  
 NAYS: Ronnie Thompson & Johnson

MOTION PASSED WITH A 5-2 VOTE.  
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The Board requested detail information (line item expenditures) from the School budget. Staff will get the requested information to the Board.  
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Chairman Wagner adjourned the meeting.

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 CHARLES WAGNER  
 CHAIRMAN

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 RICHARD E. HUFF, II  
 COUNTY ADMINISTRATOR