

THE BOARD OF SUPERVISORS HELD A WORK SESSION ON THE 8th DAY OF APRIL, IN THE
YEAR TWO THOUSAND TWO OF OUR LORD IN THE COURTROOM OF THE OLD
COURTHOUSE AT 4:05 P.M.

IN RE: ROLL CALL

Julian T. Lipscomb	Present
Rebecca M. Ringley	Present
James H. Burrell	Present
Dean E. Raynes	Absent (Arrived at 4:06 p.m.)
W. R. "Ray" Davis, Jr.	Present

Chairman Davis opened the meeting.

IN RE: BUDGET

Mr. Ellyson provided a copy of the latest budget printout.

Mary Altemus, Director of Accounting and Budget, provided the Board with information regarding meal taxes currently being collected in surrounding localities. It is the general opinion in those localities that the tax is equitable and easy to administer. There is a program for meal tax already in the Bright system. Mr. Ellyson reported that, based on the taxable sales figure of \$5,249,407 from the State, a 4% meal tax would realize revenue of \$210,000 with the existing establishments. John Crump, the Commissioner of Revenue, had previously reported to the Board that a 1% tax would result in revenues of \$11,500, and Herb Jones, Treasurer, had projected a yearly revenue of \$500,000 but it was unknown on what rate he had based that figure. Mr. Ellyson reported that it would be necessary for the meal tax issue to be submitted to the voters in a referendum. The Board would also need to decide what rate to propose, as well as the effective date. After a general discussion, it was decided to bring this issue up for discussion and vote in the regular session.

The Board was also provided with information concerning the outstanding debt owed by the County, as well as how much in principal and interest is paid each year on the debt. There is currently \$7,515,219 in outstanding principal, and \$2,420,667 in interest, totaling \$9,935,886. This figure includes the lease purchases, but does not include VRS or accrued vacation. It was reported that debt on the Regional Jail will be paid off in 2005, the HVAC Improvements in 2007, and the rest beyond 2009. Mr. Davis inquired whether any of the interest rates could be renegotiated or reduced.

Mr. Ellyson also reviewed the recent State Compensation Board reductions regarding the Constitutional Officers. The budget estimates indicate an across-the-board reduction of approximately 5% for Sheriffs and 7.2% for Commonwealth Attorneys, Circuit Court Clerks, Treasurers and Commissioners of Revenue. There is no funding for equipment purchases. These cuts total \$108,938 -- \$74,464 of which is for equipment. It was reported that funding of equipment purchases may be reconsidered by the Comp Board at a future date. The equipment budget requests of the Constitutional Officers were reviewed.

A real estate tax rate of 79¢ (a 2¢ increase) would result in revenues of \$16,201,408. Expenses are currently \$16,234,685 (exclusive of Schools), resulting in deficit of \$33,277. Adding in the School's request for \$251,963, leaves a gap of \$285,240. Crediting the \$11,000 savings on group life insurance premiums for this year and next, reduces the increase to \$274,240, which includes the Comp Board cuts

and funding the Office on Youth. A 5¢ raise in the real estate tax rate would balance the budget. Mr. Ellyson reported that there is \$200,000 in the contingency fund. Ms. Ringley suggested that more cuts be made before raising the tax rate.

There was discussion on whether or not to fund the Office on Youth. It was the general consensus that Kim Daniel is an asset to the County and provides valuable assistance to the Social Services Department. There was also discussion on whether or not to consider funding the full amount cut by the Comp Board in the budgets of the Constitutional Officers, and it was the opinion of the Board that it was not fair to the Constitutional Officers to have to absorb that loss. Ms. Ringley suggested that someone talk with the Sheriff to see if there is anything in his equipment budget that can be delayed until next year.

There was discussion on other possible cuts, as well as the potential for additional revenues from the new developments in the County. It was decided to reduce the budget for legal services from \$140,000 to \$100,000, and to eliminate the budget request of \$10,000 to replace the carpeting in the General District Court and the \$5,600 to curb the Courthouse parking lot. Mr. Lipscomb reported that the County's share of the cost of moving the rotating beacon at the Airport should also be removed.

It was reported that the Commissioner of Revenue has projected additional revenue of \$534,000 for next year. There was some discussion as to whether that is a realistic figure, based upon the sales price and number of lots that have been sold in Brickshire to date.

There was some discussion about investment of County funds to provide water and/or sewer service to the Route 106 area. Mr. Lipscomb reported that the businesses that are locating in that area do not require sewer services at this time.

Ms. Altemus reported that if the Board authorized her to factor in a 4¢ increase, she could balance the budget and have a proposed brochure in this Friday's package. The only other alternative at this time would be to consider a 3¢ increase and take the remainder from the fund balance.

The Board decided to continue this work session to a later time and/or date.

The meeting was suspended at 5:48 p.m.