

## MEETING #15 March 28

At a Public Hearing of the Madison County Board of Supervisors on March 28, 2011 at 7:30 p.m. in the Madison County Administrative Center Auditorium:

PRESENT: James L. Arrington, Chairman  
Jerry J. Butler, Vice-Chairman  
J. Dave Allen, Member  
Eddie Dean, Member  
Pete J. Elliott, Member  
V. R. Shackelford, III, County Attorney  
Lisa A. Robertson, County Administrator  
Teresa Miller, Finance Director  
Jacqueline S. Frye, Secretary

### **1. Meeting Agenda**

Chairman Arrington called the meeting to order and stated that all members are present and a quorum was established.

### **2. PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE**

The Board of Supervisors commenced their meeting with the Pledge of Allegiance and a moment of silence.

Chairman Arrington advised the purpose of tonight's session is to receive public comment on the following Agenda items:

- a) Proposed FY2012 Budget for Madison County, Virginia;
- b) Proposed Ordinance to Establish Tax Rates for Tax Year 2011;
- c) Proposed Ordinance to Establish a Business License (fee);
- d) Proposed Ordinance to Establish a Two Percent (2%) Transient Occupancy Tax;
- e) Proposed Ordinance to Establish a Five Percent (5%) Transient Occupancy Tax;
- f) Proposed Ordinance to Establish a Delinquent Tax Collection Fee;
- g) Proposed Ordinance to Amend/Increase Existing Fees at the Transfer Station;

Chairman Arrington advised that the County Administrator will present the proposed FY2012 Budget for Madison County and the proposed Ordinances, which will be followed by a period of public comment for each topic item.

Additionally, in order to get through tonight's session and the huge volume of materials, he advised the following guidelines will be in place:

- a) Please state name and address for the record;
- b) All comments will be limited to three (3) minutes;
- c) Individual(s) will only be permitted to speak one time (1x) per topic item;
- d) There will be no personal attacks and comments are to remain relative to topic item;
- e) Questions will be document and a reply will be forthcoming.

In closing, Chairman Arrington made a special appeal for 'politeness and civility.'

### **3. Topics:**

#### **a. Proposed FY2012 Budget (commencing on July 1, 2011):**

The County Administrator advised the proposed FY2012 Budget of \$32,430,964 was properly advertised and includes a balance of \$700,000 from the County's fund balance. In the past, the County has utilized funds from the general fund in previous fiscal years in order to balance the budget; however, due to past usage of cash reserves, this option isn't viable at the present time. Additionally, she explained that she will be projecting departmental budget items for public viewing, if necessary. Also, she advised there will be an additional meeting prior to adoption of the proposed budget for FY2012. In closing, she invited Dr. Eberhardt, Superintendent, to come forward to provide an overview of the school's proposed budget for FY2012.

Dr. Eberhardt, Superintendent, advised that times are difficult for the school system as the result of extensive state and federal funding reductions (i.e. FY11 federal funding = \$652,697; FY12 federal funding = \$349,538), with a decrease in state funding of \$2,300,000, which will equate to a smaller budget for the school system. Additionally, he read the following highlights:

a) FY11 and FY12 school budgets are 'flat':

- FY11 local = \$7,917,624
- FY12 school proposed = \$8,243,962 (4% increase to compensate for loss of state and federal dollars)
- FY12 BOS proposed = \$7,843,962 (1% decrease)

b) Cost of budget reductions:

- (15) lost positions causing increased class sizes (nearly exceeding state ratio caps);
- After school programming elimination
- Summer school reductions in both numbers served and time of summer school
- Middle school athletics cut
- No additional high school athletics (parents & school requests)
- School supplies and materials cut
- Staff development reductions
- Lack of appropriate upgrading of antiquated computers that are rapidly failing

c) Last three (3) years:

- Salaries have been 'frozen' for three (3) years
- Surrounding areas are proposing salary increases, but not 'frozen' salaries, as follows:
  - Greene - 3%
  - Albemarle - 3%
  - Culpeper - 2%
  - Orange - (\$975 bonus)
  - Charlottesville – 2.4%
  - Fluvanna – 0%
  - Madison – 1.23%

\*On a scale of salary comparisons, Madison County is the LOWEST overall\*

Dr. Eberhardt advised that the school system is 'limping along' and cannot do with anymore cuts, especially in the areas of:

1. Athletics

2. Positions
3. Maintenance/grounds
4. Music/Arts
5. Salary/Benefits
6. Summer School
7. Technology
8. Textbooks
9. Transportation

Without significant damage.

Additionally, the Superintendent advised that the Madison County School Board and Administrator is proud of a high quality school system, and also advised that the Virginia business community has known for a long time that people locate to areas where children receive a high quality education, which in turn produces a high quality workforce. In closing, he stated it's important to invest in our Madison employees, schools and the future of the community, and strongly urged the Madison County Board of Supervisors to consider funding the School Board's proposed request.

Chairman Arrington opened the floor for public comment on the proposed FY2012 Budget for Madison County.

1. Kim Johnson-Smith was present and read information from a letter that she has presented (attached to the minutes), and also feels the budget should provide a 'tell tale' of the County.
2. Debra Reed of the Rappahannock Legal Services was present and thanked the Board for its continued funding and support; she also advised that Madison County is the largest client of the organization and that she and staff members have made many sacrifices (i.e. taking leave w/o pay) in order to prevent anyone from being laid off from work.
3. Anthony Clatterbuck was present commented on the Reva Volunteer Fire Department and the fact that funding from the County has been totally eliminated; however, he stressed that the organization will continue to respond and serve the citizens of Madison County when needed. In closing, he thanked the Board for past funding for the volunteers who serve.

4. Bonnie Utz of the Madison County Library was present and thanked the Board for its continued funding and support. Additionally, she stated out of the 13,000+ citizens in Madison County, there were 6,069 patrons of the Library during the past year and that the summer reading program catered to about 1,000 students last year which included teachers who volunteered their time to read to their students. In closing, she stated this is a clear example of how local tax dollars do a tremendous work within the community, despite state funding reductions.
5. Carolyn Cummings was present and feels the schools can't afford any additional funding cuts and are already forced to work with less funding than the surrounding localities (i.e. Rappahannock County currently funding seventy-five percent [75%] more than required and Madison only funds forty-two percent [42%]; however, the state average is currently eighty-one percent (81%) above the County's level of funding. Additionally, although the composite index has increased by three percent (3%) this year, the average throughout the state is four percent (4%). At the present time there is a shortage of \$437,000 and the County is looking to put \$319,000 into the contingency fund. In closing, she questioned why money is being put into the contingency fund when the school and local budget is 'already bleeding' – money doesn't need to be put aside but can be better used to provide better pay for the teachers. Also, in a recent edition of the New York Times' there was an article that relayed that 'any teacher who is eighty-four [84%] better than the rest of the teachers in the United States will impact at least one (1) student's lifetime ratings by \$20,000 – it isn't a question of increasing/decreasing class size, but ensuring there is enough money to pay for better teachers within the system to ensure there is a better workforce.
6. Torrie Knighting was present and opposed the proposed \$437,000 cut to the local school system; there are tough choices to be made and she feels the Board should reconsider these cuts. Also, public schools are asked to do more with less and she is concerned about:
  - i. The allocation of debt service to the local Courthouse Project;
  - ii. Allocated funding to the contingency fund and feels this should be reduced to \$500,000;
  - iii. Our children should be provided the best educational services possible.
7. Brian Duncan, Executive Director of the Rappahannock-Rapidan Community Services Board, was present and advised that the County's citizen representatives work diligently to serve the people of Madison County; he thanked the Board for its continued funding support and also advised that he has

met with several County representatives about services being provided and also advised that he will express ideas for areas of improvement during the spring. In closing, he applauded the Board for its efforts to provide needed services to the citizens of Madison County.

8. Karrie Staley of the Rapidan Volunteer Fire Department was present and stated the organization has assisted Madison County for the past thirty (30) years and has received funding support for the past fifteen (15) years; also, the organization sees safety as the 'top priority.' However, many business/organizations within the County (i.e. Hartland Institute, Woodberry Forest, Meander Inn, Locust Dale Post Office, etc.) depend on the Rapidan Volunteer Fire Department in the time of need. The proposed funding cuts will make it harder for the volunteers to fulfill the cause. In closing, she provided a breakdown of the costs associated with replacing firefighter equipment (i.e. uniforms, gear, etc.) and other necessities required to outfit a forty-five (45) member volunteer unit – this gear has to be rotated out every five (5) years, excluding costs associated with emergency vehicles, insurance, tools, etc. In closing, she urged the Board to reconsider reinstating the contribution of \$4,000 which is a small price to pay for the assistance that is provided to the citizens of Madison County.
9. Claudio Vento of the Medical Reserve Corp was present and provided an overview of the services that are offered to Madison County. In closing, she thanked the Board for its continued funding and support.
10. Guy Burke was present and advised that he is on a fixed income and doesn't have the funding that will be required to pay the proposed tax increase; in closing, he stated 'everyone has a need.'
11. Laurinda Shifflett was present and advised that she serves as a substitute teacher in the school system on Mondays and the school system is cut to the 'bare bones.' Additionally, she feels the 'rainy day fund' needs to be cut because there are 'dire needs' within the school system.
12. Bill Hinkes was present and advised that he has advocated gaining revenue for the County. In doing so, he feels the cost recovery program will bring in revenue and the program is going quite well. In closing, he urged the Madison County Volunteer Rescue Squad to 'join the program.'
13. Max Tufts of Rapidan Better Housing was present and thanked the Board for its continued support.
14. Charlotte Scott was present and advised that she is in favor of the transient occupancy tax and feels this is an excellent way to raise funds; however, she also supports:

- i. Encouraging new business here;
  - ii. No proposed tax increase for real estate or personal property (as this does nothing to help the local home or property owners since many are out of work and costs for everything continues to rise).
15. Mary Grace was present and advised that Madison County's median income is much less than many of the surrounding localities. Also, she suggested the Board:
  - i. Tax those with second homes that cost \$250,000 or more (everyone deserves to own at least one [1] home);
  - ii. Utilize bag stickers instead of a flat fee at the transfer station;
  - iii. Instead of allocating funds to the 'rainy day fund', ask citizens to make donations in order to establish the fund;
  - iv. Urged that the school's budget not be cut;
16. Doris Lackey was present and stated the proposed FY2012 budget is based on a ten cent (10) tax increase on real estate and feels that 'all citizens' should be asked to sacrifice (i.e. no picking/choosing); also, she verbalized concerns regarding:
  - v. The large increase to fund the Central Virginia Regional Jail (+\$200,000);
  - vi. The Sheriff's overtime budget line item of \$53,000 and an overall increase in his departmental budget of \$92,000, and therefore suggested a cost efficiency study be implemented;
  - vii. Health insurance costs for County employees and questioned whether it's time to look at what other companies offer;
  - viii. Transfer station fees/costs and whether it's time to have renegotiations;
  - ix. Increased costs for animal control;
  - x. Reduction in staff in the Zoning Department;

In closing, she questioned 'where's the balance' and feels the Board needs to re-evaluate the aforementioned concerns.

17. Steve Hoffman, Chairman of the Central Virginia Regional Jail Board, was present and advised the proposed percentage increase is based on the inmate

population and is currently less than one percent (1%). Also, about three (3) years, about \$64,000,000 was divided between the participating localities (Madison County was responsible for 13.5% of the costs) after the facility was built and the percentage was based on the number of inmates. At that time, Madison County only averaged about eight (8) inmates, however, because local inmates were taking up space that could no longer be utilized for federal prisoners (at a cost of \$250 per day), all costs for local space has not been divided among the five (5) participating jurisdictions and the facility is under contract with the federal system until 2017. Three years ago, it was determined that the facility could no longer be a profitable organization and it was determined and passed onto all local governing boards that participating localities would be responsible for one hundred percent (100%) of the costs to run the jail. In closing, the facility used its reserves about two (2) years for fifty percent (50%) of the budget – there is now a small reserve amount and now localities must assume the total operational costs for use of the jail. In closing, he advised there are:

- i. Approximately four hundred (400) inmates (i.e. seventy [70] federal and the remaining are local);
- ii. Ninety-nine (99) employees with five (5) openings in Administration;

18. Leri Thomas was present and questioned the following regarding ‘payments in lieu of taxes’ and whether this guideline will pertain to the Shenandoah National Park:

- i. Under the budget’s federal revenue, it denotes in 2009, the County received \$106,244 from the park for the land they assumed from Madison County, which is supposed to compensate for the loss of taxes.
- ii. In 2010, the payment decreased to \$79,000;
- iii. In 2011, it appears the amount has decreased again to \$40,000!;

Furthermore, she questioned whether the park calculated the payment amount in lieu of taxes based on current land values. If one looks at the trend of the past payments, one would conclude the payments are consistent with decreased land values. Therefore, she questioned if the park has been able to decrease their payments by more than half to the County for payment in lieu of taxes (including personal property), then why are the citizens asked to pay more than double the taxes on local land given the same decrease in existing land values. Additionally, she feels local property owners were over assessed from the start and are asked to pay double what land is actually worth, and now there’s a proposal to increase taxes by ten

cents per \$100 assessed value. Also, there appears to be a faulty assessment that everything needs to be done by the government, however, when revenue runs short, the government feels it can go to the people to get more. In closing, the County isn't getting anywhere' – there is a proposal to decrease funding to the schools but pay more for courts and criminals instead of providing jobs and supporting business here.

Audrey Reddenberry was present and feels the country is in dire straits (including Virginia) (i.e. high cost of living), and she understands the schools need funding, but why should teachers be given a raise during this difficult time. Additionally, she feels that everybody has to 'tighten their belts' and suggested this action be postponed for an additional year.

funding could be spent in other areas and possibly wait an additional year. In closing, 'everybody has to tighten their belts.' , therefore, it appears that when everything is done by 'government standards', the government feels it can go to the people to get more when things run short.

Dick Davis was present and advised he is a small business owner. Additionally, the surrounding localities have signage to show they 'welcome business' but Madison County is 'anti-business' and is financially strapped as a result of this. Also, he feels:

- a) The Board would love to raise taxes and citizens are already taxed to the limit and there shouldn't be a tax increase;
- b) The teachers should not be given a raise;

In closing, he advised that he loves Virginia and feels that everyone should tighten their belts and the County can utilize the transient occupancy tax.

Waverly Banks was present and stated he is self-employed – if taxes are raised as proposed, it will make it very hard for his business; also, he is already experiencing financial difficulty and verbalized concerns regarding the foreclosures and whether the banks are paying the taxes on these properties (i.e. banks received a 'bailout' funded by citizen tax dollars). In closing, he advised that many have lost their jobs, some have taken pay reductions, and he suggested administration do the same.

Steve Grayson was present on behalf of the Madison County Volunteer Rescue Squad and provided a brief overview of the initiation of the organization. In response to a concern about revenue recovery, the vast majority of the volunteers aren't in favor of the program as they feel they are serving the citizens and that's their way of 'giving back.' In closing, he

thanked the Board for its funding and also provided the following statistics to denote where funding was utilized:

- a) Over 2,000 calls were answered during the past year and all required an ambulance that was purchased by the volunteer organization;
- b) The organization made all the payments on the aforementioned vehicles, the supplies, equipment, and about \$25,000.00 annually for the vehicle insurance.
- c) The organization recently priced a new ambulance at a cost of \$160,000 which doesn't include a stretcher (@ a cost of about \$5,000), a radio, lifepack monitor/defibrillator (@ a cost of \$25,500);
- d) If the existing crash truck (Jaws of Life) had to be replaced, the cost would be in excess of \$110,000 in equipment alone;
- e) Of the \$114,000 that is allocated is actually a 'pass through' as denoted in the revenue portion of their report;

In closing, Mr. Grayson thanked the Board for its continued support and look forward to a continuance in the future.

Roseanna Gilbert was present and stated that she appreciated all the comments that have been verbalized tonight and that the County 'can't spend more than what's coming in', as when the government does this tactic, it means higher taxes. In closing, she asked the Board to become more fiscally responsible and to come back to the public when the issues are 'fixed and there is no report of a proposed tax increase.'

Allan Knewstep of the Rapidan Volunteer Fire Department was present and advised that volunteers serve the citizens located in the eastern portion of Madison County (Meander Run, Achsah, Locust Dale) who rely on the volunteers of Rapidan and Reva for fire and rescue services. Additionally, he feels the proposed funding decrease is 'rather steep' but the funding for the Madison County Volunteer Fire Department has been increased by six percent (6%). In closing, he suggested the Board reconsider this action and show some parity, and also questioned why the contingency reserve is being increased while other entities are being decreased.

Edward Napier was present and advised it's quite a challenge to meet the demands of the citizens of Madison County. In a recent meeting session, he stressed that as citizens, 'if we get what we ask for...we've got to pay for it.'

Also, it's very difficult to find the right level and nobody will be able to find all the right answers. In closing, he feels the FY2012 budget is a good 'practice year' – last year the County got a little taste of what it's like when the economy goes down and it will be a very tough new year. Additionally, he urged the elected officials to take a stand as he doesn't feel things will be any easier during the next few years, but more difficult. Also, if everyone's demands are met, there will be absolutely nothing left to cut in the next fiscal year. Furthermore, he urged that attention be given to what's needed and be aware the State is struggling with the same issues being discussed here tonight; many things have been cut and the federal government is oblivious to the future troubles and everything is about to topple. In closing, he stressed that we need to 'make it together' and those who make a decision on the property rates need to understand that when tax rates increase, somebody has to 'get off their land' – when there isn't a tax increase, a service is eliminated.

Jim Smith was present and provided information on the rapid decline in reserves and advised the time of stimulus funding is over at the federal and state level. Also, a study of the state tax level reveals that state revenues aren't sustainable. In closing, he stressed that problems will continue in the future (based on a recent analysis and assessments) and will become more serious in the future.

Nan Coppedge, Director of Social Services, was present and advised that her department is asking for a \$10,000 increase in its budget request which is for services (i.e. increased requests for food stamps, etc.) and not for additional staff. She also advised that her departmental budget also includes CSA (Comprehensive Services Act) which shows a budget reduction – all programs do provide many services to the County's children. In closing, she thanked the Board for their continued support.

Jeff Early, Madison County School Board, was present and advised that it has been a pleasure working with the school board in the past. Additionally, he feels the County's most important resource is our youth – the school system is trying to do 'more with less' and we need to look at jobs, land values and crimes, which will all go in the wrong direction if a good education isn't a part of the plan. Additionally, he feels the local school system is faced with the fact that surrounding localities are proposing a salary increase and the reality is the fact that the locality must be competitive and be the best. Lastly, he advised he is very proud of the students, teachers, administration, and the level of work that is ongoing. In closing, he thanked the Board for its hard work and support.

Dave Ashley was present and suggested the Board revert to the FY2011 budget and decrease the funding allocated to the Madison County Volunteer Fire Department and the Madison County Volunteer Rescue Squad and start paying Rapidan Volunteer Fire Department and the Reva Volunteer Fire Department. In closing, he feels that reallocating the funding will allow these organizations to receive support and in turn, save the locality about \$9,500 that can be spent in another area.

Ralph Nicholson was present and verbalized support of comments made by Ms. Thomas; he stressed the fact that the Madison County Board of Supervisors exists on behalf of the citizens and the proposed ten cents tax increase isn't good and is being suggested during a very poor economy. Additionally, he advised that Madison County does have the lowest median income and the Board needs to serve everyone and not just the school system and law enforcement.

With no additional comments being brought forth, Chairman Arrington closed the public hearing on the proposed FY2012 Budget.

**b. Ordinance (Tax Rates for Tax Year 2011):**

Chairman Arrington then moved to Public Hearing on the Ordinance for Tax Rates for Tax Year 2011 (commencing January 1, 2011).

The County Administrator provided a brief overview of the Ordinance and advised that it was properly advertised in the newspaper. As already noted:

- a. Real estate tax rate is .54 cents per \$100 assessed value;
- b. Tangible personal property tax rate is \$3.25 per \$100 assessed value;
- c. Machinery & tools rate is \$1.62 per \$100 assessed value;
- d. Merchant's capital is .86 cents per \$100 assessed value (fixed);

Chairman Arrington opened the floor of the public hearing on the above referenced Ordinance.

1. Bob Kane was present and advised he had a comment on the proposed FY2012; however, he waited in the hallway for an hour and wasn't given the opportunity to speak, but closed the public hearing completely.

Chairman Arrington advised Mr. Kane that he was out of order and asked him to leave the podium, to which Mr. Kane advised "I will leave when I am finished talking.'

Chairman Arrington called for a five (5) minute recess, but Mr. Kane continued to speak.

2. Leri Thomas was present and advised that much has been verbalized about specific items denoted in the FY2012 budget; however, she would like to propose that whenever the tax rate is being sought, each department should be asked to cut a specific amount (i.e. specific percentage across the board) rather than cut funding from volunteers or the school system. Additionally, she feels the tax rate is already too high based on declining property values and the existing rate is totally irrational. In closing, she feels the Board is asking for ten cents but will ultimately reduce it to five cents and feel this will pacify the citizens, however, if the Shenandoah National Park can cut the amount of tax revenue they owe by half, don't expect the citizens to make up the difference.

3. Waverly Banks was present and stated these are stressful times and nobody wants to be taken for granted, however, the County has to come to a conclusion. In closing, he doesn't feel that raising taxes is the answer, but asked the Board to find another way to get through these tough economic times.

4. Anthony Clatterbuck was present and advised we're in a difficult situation and it's sad to hear the locality compete for money, but this is the reality. Additionally, he feels the only relief for the proposed tax rate is to look at the County's lack of business development and assess ways to reorganize the existing Zoning Ordinances so new businesses are invited to come to generate tax revenue for something other than gasoline. Also, he feels the County is a wonderful place for tourism and home-based businesses. Currently, if someone tries to open a business here, they have to 'jump through every hoop' and this factor needs to be fixed rather quickly, as the locality is known for 'anti-business' and 'anti-growth.' Although he doesn't want to see the County look like our neighbors, he feels we need to get on track and become more 'business friendly' in order to protect our citizens. In closing, he advised there are many problems and many entities need funding, which are desirable, but a path needs to be created in order to make this possible.

5. Richard Sestack was present and stated he has heard some wonderful comments and valid concerns; however, he hasn't heard anything from the 'administrator....the supervisors....they're silent.....we've had no information as to where's the medium and they're just sitting there like stone.' Additionally, we want them to do something which is to get rid of the contingency, the \$400,000 and all the things they would like to have. Also, the citizens 'don't want you to have anything....nothing....because the rest of us got nothing, so don't come ask us for anything. Also, 'while you're sitting there and things fold out for the future, we want to see you (Jerry, Pete, Mr. Arrington and the rest of you) come up with nothing.....absolutely nothing.' In closing, 'I see you everyday at the

Mountaineer Café', the pizza place, down the road at the Blue Ridge Café' and when I see you, I'm going to talk to you and see if you have the \$2,000,000 to \$3,000,000 of our money.....we ain't got it!

6. Christopher Martino was present and advised it's difficult to separate a tax increase from the budget; he also feels the tax rate shouldn't be increased under any circumstance and it appears the Board is asking for more money to spend or equivalent to what was spent last year, while putting good people 'out on the street' and taking the proposed 'savings' and placing it into the rainy day fund. In reviewing the numbers, the cut is about \$268,000 from the offices and propose to put \$318,000 into the rainy day fund, which isn't a cut but a reallocation of funding with an additional \$50,000 is being added while you're asking the citizens to pay additional taxes. Furthermore, he feels:

- a) Funding should be reduced from the rainy day fund;
- b) Staff who have paid their taxes and served the County are now being put out on the street;
- c) Who is the County serving by doing the above while peoples' (in specific offices) lives will now be changed;
- d) Citizens are being asked to spend more money on real estate so the Board will have the same amount of money to spend;
- e) There are no cuts denoted but allocations instead;
- f) A fee is being proposed for trash at the transfer station when citizens are already paying tax dollars that fund the facility;

Additionally, he suggested:

- a) There be no real estate tax increase;
- b) Reinstate individuals back into their respective job assignments;
- c) Take funding from the rainy day fund (\$68,000);
- d) There are no major projects in place and there is no need to spend an additional \$1,000,000 on the 'courthouse fiasco' unless it's 'cut in stone' as this project can be spread out over fifteen (15) years if needed.

In closing, he's having a difficult time separating tonight's issues based on the manner in which the proposed FY2012 budget format, and feels the Board is actually hurting the people that have served the County for many years.

7. Bob Kane was present and stated the last real estate assessment was a 'blunder' that was improperly advised (probably by the County Attorney) and caught values at an all time high; adding insult to injury was the actual cost of the process. Additionally, he feels there's a lot of 'fat' in the proposed FY2012 budget and suggested the Board re-examine the payroll and establish a three percent (3%) salary reduction. In closing, he feels the proposed FY2012 budget can be balanced without a proposed tax increase.

8. Guy Burke was present and advised that his property was reassessed at \$19,000 per acre and he owns seven (7) acres; therefore, he is against a proposed tax increase.

9. Anne Ferguson was present and advised that she is against a proposed tax increase. Additionally, she lives off of social security and there has been no increase in her benefits despite the fact that medical costs have continued to rise. In closing, she suggested the teacher's salaries remain the same and advised that most governments are finding ways to trim rather than impose a tax increase on the citizens; therefore, she suggested the Board work to keep taxes where they are.

10. Charlotte Scott was present and stated the Board has an extremely difficult job. Therefore, she asked the Board to rework the proposed FY2012 budget and undo the tax increase as this is based on the existing value of property that was reassessed.

11. James Jarrells was present and reminded three (3) of the Board members of their comments made during their campaigns as to whether they would raise taxes.

12. George Beker was present and commented on funding during past years; however, when there isn't enough, there must be a cut and he asked the Board not to micromanage, but instead ask all departments to take a ten percent (10%) cut. Otherwise, the citizens are going to 'bleed to death' by way of bankruptcy and foreclosures.

13. Jenna Beker was present and advised that the school system is the largest 'elephant' within the budget. Also, she doesn't feel that every department is actually 'at bone' and things will not be any better during the next year. Additionally, some have commented that if the school isn't funded, the students will become 'criminals' and this isn't true in this community. In closing, she suggested that all departments, including the school system, should be cut for now.

14. Doreen Jenkins was present and thanked the Board for its time and effort; she currently serves on the Madison County School Board. Also, she feels that most see the school system as a 'liability' and not an asset. Additionally, the school system is the County's largest employer, and fifteen (15) positions were lost thereby causing an increase in classroom size and the elimination and/or cutting of various school programs. In closing, school personnel to spend money in the County and are good consumers. In closing, she hopes the economy will improve but feels the County will only have one shot to give the children a quality education. Although the teachers may

not get a raise, she suggested they be reimbursed for what they spend in their respective classrooms on the students.

15. Kim Johnson Smith was present and questioned whether the proposed tax rate of fifty-four cents (.54 per \$100 assessed value) will be enough to balance the proposed FY2012 Budget.

With no further comments being brought forth, Chairman Arrington closed the public hearing on the Ordinance to (Fix) Tax Rates for Tax Year 2011.

**c. Ordinance, Business License (Issuance Fee of \$30 [each]):**

Chairman Arrington then moved to Public Hearing on the Ordinance (to establish a) Business License (license Issuance Fee (\$30.00 each).

The County Administrator provided a brief overview of the Ordinance and the proposed fee and isn't characterized as a business license tax. Also, the provisions of the Ordinance were pulled from the provisions denoted in the State Code that establishes the format for a business license. An item of previous discussion includes the number of exemptions and are listed in tonight's document.

Chairman Arrington opened the floor of the public hearing on the above referenced Ordinance.

Chairman Arrington opened the floor of the public hearing on the above referenced Ordinance.

1. Sandra Aldridge was present and advised she is unsure of the exemptions for the business license and feels the guidelines should apply to 'all'. Additionally, she feels the proposed Ordinance isn't fair and will not bring forth much revenue.

2. Leri Thomas was present and advised she objected to the proposed Ordinance as this will not stimulate business if it calls for more fees and collections and questioned whether the Board is actually toward that venture, but believes so. Additional concerns revolve around the comment to stimulate business, but at the same time, saddle businesses with additional fee collections, placing stickers on cars, and additional expenses. Also, there are many folks here who do many different types of things (multiple skills) and a \$30.00 fee will be imposed for each of those 'skills.' In closing, she urged the Board to offer some incentives to promote growth of business as opposed to constantly looking at for businesses to 'give you' more money and cut some of these fees out, which will produce more revenue based on sales tax and income taxes. In closing she feels this is a bad time to project such a fee in the local businesses and everybody needs to cut back right now.

With no further comments being brought forth, Chairman Arrington closed the public hearing on the Ordinance (to establish a) Business License.

**d. Ordinance Establishing a Two Percent (2%) Transient Occupancy Tax and**

**e. Ordinance to Establish a Five Percent (5%) Transient Occupancy Tax**

Chairman Arrington advised there will be a combined public hearing on the two (2) Ordinances pertaining to the Transient Occupancy Tax (Two percent [2%] and Five percent [5%]).

The County Administrator provided a brief overview of the two (2) above referenced Ordinances and the guidelines that pertain to both percentage rates; she also advised the tax will be collected from the purchaser at the time of service and the service provider can attain a portion of the fees that are collected. Additionally, she advised that the General Assembly recently passed legislation that will enable Madison County to assess a higher percentage for tourism and travel and exemption procedures are the same for other tax proposals. In closing, she advised that provisions for collection of the tax are based on legislation approved in the General Assembly.

Chairman Arrington opened the floor for public comment on the above referenced Ordinances.

1. Anthony Clatterbuck was present and feels the five percent (5%) rate is a non-budgeted item and can actually promote the County's revenue base. In closing, he feels this will be a benefit to the County and also suggested consideration be given to a meals tax.
2. Robert Aldrich was present and stated he has listened to nothing 'but taxes' – 'when does the line get drawn' (i.e. business license fee, real estate tax increase, etc.). Also, when people visit Madison County, they spend money here...if this pattern of tax proposals increases, people will go elsewhere because the burden will be too much and tonight's proposed tax increases 'are not fair.'
3. Jimmy Graves was present asked questioned the four percent (4%) tax and whether two percent (2%) will be allocated to the general fund and two percent (2%) toward tourism. In closing, he also questioned whether the allocation for the five percent (5%) will be broken down with two percent (2%) to the general fund and three percent (3%) to promote tourism in the County, based on state mandate.

Chairman Arrington reminded the public that no questions will be answered during tonight's session, but will be responded to at a later time.

4. Sandra Aldrich was present and advised that she isn't in favor of the proposed transient occupancy tax. Additionally, she feels it's a hard deal for tourists to

come here and this proposed tax isn't the way to promote business. In closing, she feels the Board needs to cut back like everyone else will have to do.

5. Leri Thomas was present and advised that her feelings echo others who have spoken, as the proposed transient occupancy tax is inhospitable when people are looking for place to experience an inexpensive vacation, as people can always go elsewhere. In closing, she feels an offer of a 'good deal' is a good buy, and doesn't feel this proposed tax is something to consider right now.
6. Bill Hinkes was present and advised that in lieu of being hospitable, he feels the transient occupancy tax is a good way for revenue to be brought into the County and not be a cost to the locality. Additionally, this is a way for revenue to be attained from outside the County and can be put back into the County to stimulate the tourism industry here.
7. Waverly Banks was present and advised that he's much against taxes, but tourists do allocate funds for their planned trips and this tax will generate revenue from individuals who live outside the County. In closing, he feels this is a good medium ground and would choose this over a proposed real estate tax increase.
8. Barbara Meadows was present and advised that she's against taxes, but in the scheme of things, a consumption tax to benefit those within the County by charging those who visit here to use our facilities is the 'lesser of two evils.' In closing, she feels that a consumption tax with a designated source and purpose (as long as it's not a method of 'robbing Peter to pay Paul') is a measurable means to promote additional businesses that charge the fee (i.e. bed & breakfast, restaurants, etc.), and will allow these business to gain valuable advertisement possibly in local medium that can be made available to visitors.
9. Christopher Martino was present and feels this proposed tax makes sense for the people of Madison County and will not be a burden on the citizens. Additionally, he feels that every business should benefit from this tax (i.e. lodging and meals). In closing, if the five percent (5%) tax is charged, then three percent (3%) will be returned to the business owner in the form of advertising.
10. Doris Lackey was present and questioned whether Big Meadows will be required to pay a transient occupancy tax, as they currently pay this tax to a neighboring County because Madison County doesn't collect this tax.
11. Edward Napier was present and feels idea that imposing this tax will drive away visitors isn't exactly so, as he sees this tax as a benefit in providing:

- a) Police protection;
- b. Medical protection (emergency medical & rescue services);

Also, the above services have to be paid for by ‘somebody’ – therefore, the County will be doing nothing more than collecting a charge to offset the costs of providing the above referenced services which are valuable. In closing, he advised if these services are denoted on the bill at a cost of two percent (2%), he feels that visitors will not object and will respect this factor.

With no further comments being brought forth, Chairman Arrington closed the public hearing on the Ordinance Establishing a Two Percent (2%) Transient Occupancy Tax and the Ordinance Establishing a Five Percent (5%) Transient Occupancy Tax.

**f. Ordinance (to establish a) Delinquent Tax Collection Fee:**

Chairman Arrington advised there will be a public hearing on the Ordinance to Establish a Delinquent Tax Collection Fee.

The County Administrator provided an overview of the proposed tax and advised the State Code provides a guideline for the County to impose a tax on delinquent taxes to cover administrative costs associated with the collection process. Additionally, the document utilizes language that limits a reasonable limit for collection agency fees that may not exceed twenty percent (20%) of the tax amount collected, and administrative fees cannot exceed \$30.00. In closing, the Ordinance will establish the administrative fee in addition to penalties/interest that may be owed by the property owner.

1. Roseanna Gilbert was present and advised that she is shocked that citizens who are struggling with paying their taxes will not be faced with an additional fee. In closing, she feels this proposed tax isn’t a very good idea and suggested the Board reconsider this factor, although this seems to have been considered as another revenue source.
2. George Beker was present and feels a proposed increase on top of additional fees and doesn’t feel the ‘nickel and dime’ technique can fill in the blanks or solve the problem at hand.
3. Leri Thomas was present and feels the ‘mindset has got to change’ – if someone can’t pay their taxes, they can’t do these additional fees either. In closing, she advised that people are ‘doing the best they can’ and proposing additional taxes isn’t going to work....the “Board needs to tighten the belt.’

With no further comments being brought forth, Chairman Arrington closed the public hearing on the Ordinance to Establish a Delinquent Tax Collection Fee.

**g. Ordinance (to establish) Transfer Station Fees:**

Chairman Arrington advised there will be a combined public hearing on the Ordinance to Establish a Transfer Station Fee.

The County Administrator advised the proposed Ordinance was advertised and showed the current fee schedule along with an additional fee for household bag trash. Additionally, the fee for per pound shows a slight increase. In closing, she stated the transfer station's expenditures were \$655,000 which included about \$250,000 less than what was originally projected, with revenue of \$141,000 being taken in for services and was about \$59,000 less than projected. Overall in 2010, the facility operated at a deficit of slightly over \$500,000; therefore, she wanted the citizens to be made aware of the fact that those who use commercial trash services indirectly pay a fee for removal of their debris to the service provider. Also, increases are denoted in the areas of:

- a) White goods (refrigerators, air conditioners, washers, dryers, kitchen stoves, freezers, water heaters, and cooling unites);
- b) Small and large furniture items (mattresses, sofas, dining tables, bed frames);
- c) Small scrap metal (bicycle, hand/garden tools)
- d) Burn barrels;
- e) Brush/yard debris (except March & October);
- f) Commercial waste;
- g) Compacted trash;
- h) Commercial Roll-off containers;
- i) Construction debris;

In closing, she advised that electronics (i.e. computers, printers) aren't collected at the facility.

1. Barbara Meadows was present and stated that many people aren't happy with this proposed increase, therefore, she feels that a tax increase coupled with a transfer station fee increase will ultimately result in additional roadside trash, as there are no roadside dumpsters. Additionally, she questioned the difference in cost to hire additional staff to pick up roadside as opposed to the proposed fees and whether the fees will be an adequate offset.

2. Anthony Clatterbuck was present and advised in analyzing the chart, it appears that most of the objection has been made on the first item (\$3.00 per vehicle for household trash), and the fee for white goods. Additionally, he has seen appliances on the embankments and feels the proposed fee schedule will lead to trash being thrown from the windows and placed anywhere instead of the transfer station, which is very dangerous.

4. Mary Breeden was present and stated she strongly opposes charging by the vehicle; due to her health, she is unable to bring a full bag (kitchen size) to the transfer station and most older citizens can't handle large bags. However, there

are times when other citizens at the facility will assist, for which she is very grateful. In closing, she urged the Board not to charge per bag because 'little ole ladies (like me)' can't handle or throw those big bags.

5. Bob Reid was present and advised that he volunteers with the Brightwood Ruritan Club. Also, the organization has fundraisers; therefore, he questioned whether they will be charged a fee for trash that is brought in following their events.
6. Roseanne Gilbert was present and questioned whether USA Waste Management recycles scrap metal, and if so, does the County receive any revenue.
7. Leri Thomas was present and this proposal is punishing and when too much is charged for the disposal of trash, citizens will find other ways to dispose of their garbage (i.e. household, appliances, etc.), which will inconceivably endanger children and animals. Additionally, she also feels that:
  - a) Burn barrels will be outlawed eventually;
  - b) Folks will not be able to dig holes on their property (burn pit);

And the charge per vehicle (\$3.00) isn't quite fair because everyone doesn't have the same size vehicle and some families generate more trash than others. There are many who cannot afford additional fees and some seniors depend on others to take their trash because they are unable to handle this task due to health issues. Furthermore, she recommended the County sell the scrap metal and mimic Woodberry Forrest School by having a biannual bonfire in Madison County which can be advertised by the Tourism Director. In closing, she stated there is an individual in Shenandoah that trades, exchanges and allows individuals to take items or donate items that can be used by others – once the items have become damaged, he donates the items to James Madison University for their annual bonfire. Lastly, there are many citizens who like to recycle and she urged the Board to consider some of these options.

8. Bob Kane was present and questioned the amount of revenue collected at the transfer station (the County Administrator advised it as being \$141,000) and there are currently two (2) employees at the transfer station; therefore, he questioned if an additional employee will be added to collect the proposed fees as a cost attached to tonight's proposal.

Chairman Arrington advised that all questions will be documented and an answer will be provided shortly.

9. Christopher Martino was present and questioned how the transfer station is running at a deficit and whether the fees have been calculated correctly. Therefore, he questioned if \$1,500,000 is needed to run the transfer station, why wasn't that amount

budgeted as opposed to adding on the proposed fees being discussed tonight. In closing, he asked for more clarity on this issue.

10. Audrey Gregory was present and advised that Madison County is a beautiful locality; although she understands the fees for larger items, she is opposed to a fee per bag, and feels this will result in trash being thrown along the highways and this will ruin the beauty of the area. In closing, she advised that she and her husband live half the time in Alexandria, Virginia, and also have a place in Madison County.

11. Roseanne Gilbert asked Chairman Arrington to allow all questions and answers to be published for public knowledge.

12. Ralph Nicholson was present and commented on the concerns made tonight regarding the fee increase at the transfer station; he feels that littering is despicable and advised that all vehicles aren't weighed as they enter the transfer station with a great deal of trash. In closing, he suggested a minimum weight limit be established for smaller bags of trash rather using the method of a fee per vehicle for household trash.

With there being no further comments, Chairman Arrington closed the public hearing on the Ordinance to Establish Transfer Station Fees.

Chairman Arrington asked if any of the Board members wanted to make any comments.

Supervisor Dean thanked the citizens for attending tonight's session and advised the Board will consider the comments and suggestions made tonight.

Chairman Arrington called for a one minute recess.

Chairman Arrington reconvened the meeting.

Supervisor Dean questioned the time frame involved before the FY2012 Budget will need to be approved on Tuesday, April 12, 2011, and whether the Board will need to establish additional discussions during the April Workshop Session.

After discussion, it was the consensus of the Board to discuss the proposed FY2012 Budget during the April Workshop Session and set an additional meeting date at that time.

With there being no further business for discussion, on motion of Supervisor Dean, seconded by Supervisor Elliott, Chairman Arrington adjourned the meeting, with the following vote recorded:

James L. Arrington	Aye
Jerry J. Butler	Aye
J. Dave Allen	Aye

Eddie Dean                   Aye  
Pete J. Elliott               Aye

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James L. Arrington, Chairman  
Madison County Board of Supervisors

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Lisa A. Robertson, County Administrator

Adopted on: Adopted on April 12, 2011

Copies:     James L. Arrington, Jerry J. Butler, J. Dave Allen, Eddie Dean, Pete J. Elliott,  
              V. R. Shackelford, III & Constitutional Officers

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