

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTGOMERY, VIRGINIA HELD ON THE 7<sup>TH</sup> DAY OF MARCH, 2016 AT 6:00 P.M. IN THE BOARD CHAMBERS, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	Christopher A. Tuck	-Chair
	Gary D. Creed	-Vice Chair
	Mary W. Biggs	-Supervisors
	April N. DeMotts	
	M. Todd King	
	Annette S. Perkins (arrived 6:30 p.m.)	
	Darrell O. Sheppard	
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Deputy County Administrator
	Martin M. McMahon	-County Attorney
	Angie Hill	-Director of Financial & Management Services
	Marc Magruder	-Budget Manager
	Ruth Richey	-Public Information Officer
	Vickie L. Swinney	-Secretary, Board of Supervisors

### **CALL TO ORDER**

The Chair called the meeting to order.

### **INTO WORK SESSION**

On a motion by M. Todd King, seconded by Mary W. Biggs and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. Presentation of the FY 2017 Proposed Budget.

The vote on the following motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT DURING VOTE</u>
M. Todd King	None	Annette S. Perkins
Gary D. Creed		
Mary W. Biggs		
April N. DeMotts		
Darrell O. Sheppard		
Christopher A. Tuck		

## Presentation of the FY 2017 Proposed Budget

The County Administrator provided the following opening remarks:

The proposed FY 2017 Budget totals \$182,106,061. I recommend that the real estate tax rate for FY 2016-17 remain at 89 cents, which represents no change from the current fiscal year. Two cents of the 89 cent rate will continue to go to the School Capital Fund. One cent of the real estate tax rate will be transferred to the County Capital Fund to replace fire and rescue equipment. In addition, I am recommending a one-time additional allocation to the County's Capital Fund of \$374,000, which equals approximately ½ cent of revenue from the real estate tax rate, to assist our fire and rescue departments with a backlog of equipment needs. No changes are recommended to the County's personal property tax rates for FY 2016-17.

The proposed \$45.5 million in County funds for the School Operating Budget represents an increase of \$1.3 million (3%) from the current fiscal year. While the recommended budget does not fully meet the school's funding request, the County has increased local funding for the schools by over \$9.1 million in the past five years. This increase is equivalent to 12.2 cents on the real estate tax rate, and does not reflect the additional debt service for new schools construction or other one-time funds provided to address capital or other school needs.

In addition to the operating budget, I am also proposing \$750,000 in year-end carryover funds from the County to be used by the school system for the purchase of school buses, school facilities repairs, and technology upgrades as requested by MCPS. This would provide the school system with a total of \$2,060,831 in additional funding to address their FY 2016-2017 budget needs. Also, I am cautiously optimistic that additional state funds for public education will be provided by the General Assembly, which would further address funding needs for the schools.

Again this year, I express my sincere gratitude to Marc Magruder, Angie Hill, Ruth Richey, and Carol Edmonds for their assistance with the preparation and presentation of the proposed annual budget. Marc, Angie, and Carol spent countless hours reviewing, adjusting, and reviewing again the numbers to ensure that the information you receive is as accurate as possible. Ruth ensures that my budget message is clearly stated and that our presentation to you looks its very best. Thanks also go to Susan Dickerson, who coordinates the outside agency requests, prepares many of the forms used in the budget development process, and compiles the budget document for publication. I would not be able to present a recommended budget to you each year without these individuals' support.

The Deputy County Administrator at this time provided a highlight of the proposed budget. Total requests from the County and the School totaled \$7,416,147, with new revenues totaling \$3.2 million that leaves \$4.1 million dollars short to cover the total requests. To fund all requests would require over a 5 cent increase in the real estate tax rate.

Marc Magruder, Budget Manager, outlined the estimated growth for FY 2017 as follows:

Undesignated Dollars

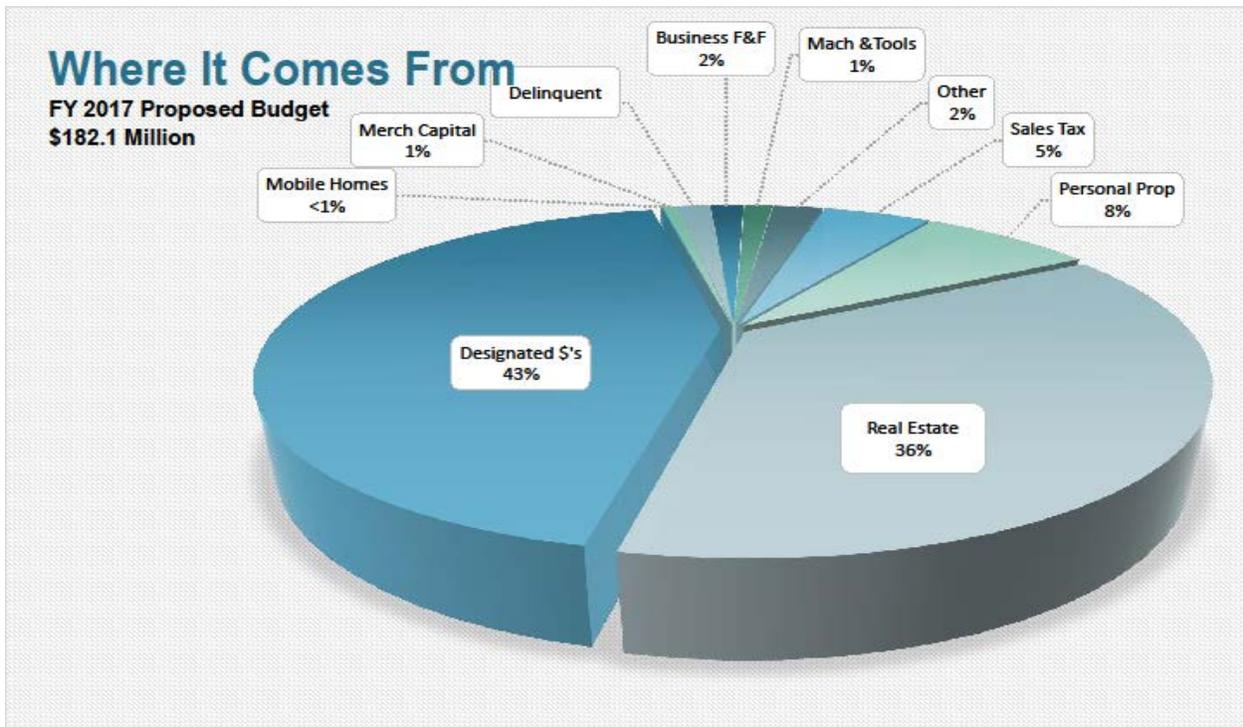
- Estimated growth from proration = \$1.0 million
- Other personal property growth = \$0.5 million
- Growth from new construction = \$1.3 million
- Net of other local taxes = \$0.3 million

**Increase in undesignated dollars = \$ 3.1 million**

**No tax rate increases.**

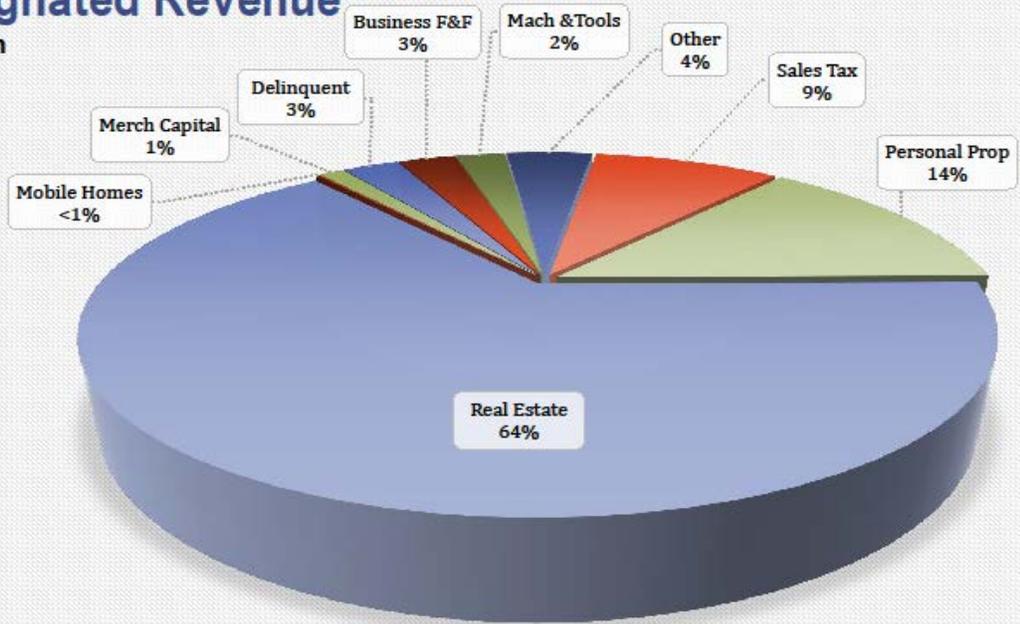
Of the \$3.1 million dollars in growth, \$1.2 million is being proposed to go to School Operating Budget and \$1.1 million to the County Operating Budget.

Mr. Magruder provided the following charts:



## Undesignated Revenue

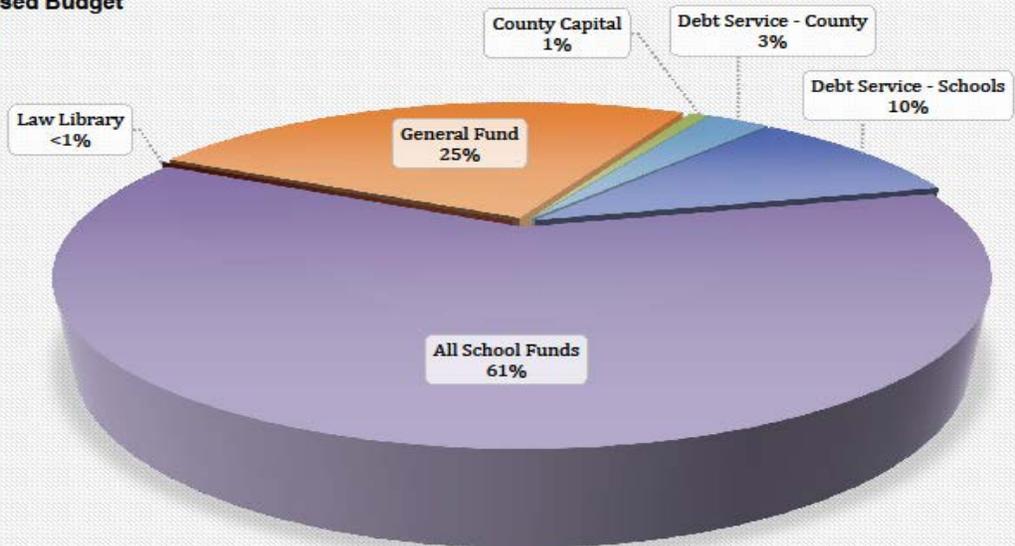
\$103.2 Million



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## Where It Goes

FY 2017 Proposed Budget  
\$182.1 Million



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The Deputy County Administrator at this time discussed FY 17 required County expenses totaling \$290,299 and additional funding to address needs in the the Sheriff's Office and fire and rescue equipment. Funding is also put in Special Contingencies to cover employee compensation, costs associated with the new Animal Care and Adoption Center, future technology upgrades and county capital projects.

Angie Hill, Financial & Management Services Director, addressed the Board on Debt Service. Ms. Hill explained that the FY 17 Proposed Budget includes a cost savings of \$190,579 in debt service. A total of three cents on the real estate tax rate goes towards debt service.

The Deputy County Administrator stated that for every tax dollar, 71 cents goes towards schools and 29 cents towards the County. Of the 29 cents, 25 cent is for county functions, 3 cents for county debt and one cent for county capital.

Next steps:

Work Session	March 14, 2016 if needed
Establish the Advertised Budget and Advertised Tax Rate	March 21
Work Session	April 4
Public Hearing	April 7
Adopt Budget and set Tax Rate	April 18

### **OUT OF WORK SESSION**

On a motion by M. Todd King, seconded by Darrell O. Sheppard and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

The vote on the following motion was as follows:

<u>AYE</u>	<u>NAY</u>
Annette S. Perkins	None
Gary D. Creed	
Mary W. Biggs	
April N. DeMotts	
Darrell O. Sheppard	
Christopher A. Tuck	

**INTO CLOSED MEETING- 6:50 p.m.**

On a motion by Darrell O. Sheppard, seconded by M. Todd King and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Closed Meeting for the purpose of discussing the following:

Section 2.2-3711 (3) Discussion or Consideration of the Acquisition of Real Property for Public Purpose, or of the Disposition of Publicly Held Real Property, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy of the Public Body

1. Former Blacksburg Middle School Property
2. Former Blacksburg High School Property

The vote on the forgoing motion was as follows:

AYE

Gary D. Creed  
Annette S. Perkins  
Mary W. Biggs  
April N. DeMotts  
Darrell O. Sheppard  
M. Todd King  
Christopher A. Tuck

NAY

None

**OUT OF CLOSED MEETING**

On a motion by Gary D. Creed, seconded by M. Todd King and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Closed Meeting to return to Regular Session.

The vote on the forgoing motion was as follows:

AYE

Annette S. Perkins  
Mary W. Biggs  
April N. DeMotts  
Darrell O. Sheppard  
M. Todd King  
Gary D. Creed  
Christopher A. Tuck

NAY

None

**CERTIFICATION OF CLOSED MEETING**

On a motion by Mary W. Biggs, seconded by M. Todd King and carried unanimously,

WHEREAS, The Board of Supervisors of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, That the Board of Supervisors of Montgomery County, Virginia hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion conveying the closed meeting were heard, discussed or considered by the Board.

**VOTE**

**AYES**

Mary W. Biggs  
April N. DeMotts (for time present)  
Darrell O. Sheppard  
M. Todd King  
Gary D. Creed  
Annette S. Perkins  
Christopher A. Tuck

**NAYS**

None

**ABSENT DURING VOTE**

None

**ABSENT DURING MEETING**

None

Supervisor DeMotts excused herself from the Closed Meeting during the discussion of the former Blacksburg Middle School for the following reason:

Pursuant to the Virginia Conflict of Interest Act, I, April DeMotts, a member of the Board of Supervisors of the County of Montgomery, Virginia, make the following disclosure:

1. The Board of Supervisors is currently considering proposals that were received in response to the Request for Proposals the Board issued seeking an interested Purchaser of the Old Blacksburg Middle School property. The names of the bidders who submitted proposals in response to the Board RFP have not been released to the public because the Board is still in the process of considering the proposals and has not selected an offeror.
2. I am currently in a long term relationship with a man (I am not married so I will refer to him as "my significant other") whom I reside with along with our children, and I share with him in the day to day household finances.
3. My significant other owns a small business in Montgomery County and has a personal interest in the Old Blacksburg Middle School Property RFP transaction being considered by the Board due to having an on-going business relationship with one of the business entities that has submitted a proposal to purchase the Old Blacksburg Middle School. My Significant other may realize a reasonable foreseeable direct or indirect economic benefit should the business he has an on-going business relationship with acquire the property from Board of Supervisors and develop the property.
4. I wanted to be clear in my disclosure that my significant other does not meet the definition of immediate family as that term is currently defined under the Virginia Conflict of interest Act. However, with the exception of having a marriage license, our relationship is very much like a married couple in that we share a home together, share in the finances and in the raising of our children.
5. Because my significant other has a business relationship with one of the entities bidding on the Old Blacksburg Middle School Property and in order to avoid any appearance of impropriety on my behalf, I will be abstaining from voting on the selection of bidders seeking to purchase the Old Blacksburg Middle School Property at this time and will not be participating in the Old Blacksburg Middle School RFP process currently before the Board.

### **ADJOURNMENT**

The Chair declared the meeting adjourned to Monday, March 14, 2016 p.m. at 6:00 p.m. The meeting adjourned at 8:00 p.m.

APPROVED \_\_\_\_\_ ATTEST: \_\_\_\_\_  
Christopher A. Tuck F. Craig Meadows  
Chair County Administrator