

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

MINUTES

Special Meeting
March 26, 2013

Call to Order A special meeting of the Stafford County Board of Supervisors was called to order by Susan Stimpson, Chairman, at 5:30 p.m., Tuesday, March 26, 2013, in the Board Chambers, George L. Gordon, Jr. Government Center.

The following Board members were present: Jack R. Cavalier; Paul V. Milde III; Ty A. Schieber; Gary F. Snellings; Susan B. Stimpson; and Robert "Bob" Thomas, Jr.; Mr. Cord A. Sterling arrived at 5:50 p.m.

Also in attendance were: Anthony Romanello, County Administrator; Charles Shumate, County Attorney; Marcia Hollenberger, Chief Deputy Clerk; associated staff; and interested parties.

Legislative; Closed Meeting. At 5:31 p.m., Mr. Thomas motioned, seconded by Mr. Snellings, to adopt proposed Resolution CM13-07.

The Voting Board tally was:

Yea: (6) Cavalier, Milde, Schieber, Snellings, Stimpson, Thomas
Nay: (0)
Absent: (1) Sterling

Resolution CM13-07 reads as follows:

A RESOLUTION TO AUTHORIZE CLOSED MEETING

WHEREAS, the Board desires to hold a Closed Meeting for discussion regarding the potential acquisition of real property for a public purpose(s), including an academic presence and/or economic development; and

WHEREAS, pursuant to Virginia Code Section 2.2-3711(A)(3), such discussion may occur in Closed Meeting;

NOW, THEREFORE, BE IT RESOLVED that the Stafford County Board of Supervisors on this the 26th day of March, 2013, does hereby authorize discussion of the aforesaid matter in Closed Meeting.

Call to Order At 5:59 p.m., the Chairman called the meeting back to order.

Legislative; Closed Meeting Certification Mr. Thomas motioned, seconded by Mr. Snellings, to adopt proposed Resolution CM13-07(a).

The Voting Board tally was:

Yea: (7) Cavalier, Milde, Schieber, Snellings, Sterling, Stimpson, Thomas
Nay: (0)

Resolution CM13-07(a) reads as follows:

A RESOLUTION TO CERTIFY THE ACTIONS OF THE STAFFORD COUNTY BOARD OF SUPERVISORS IN A CLOSED MEETING ON MARCH 26, 2013

WHEREAS, the Board has, on this the 26th day of March, 2013, adjourned into a Closed Meeting in accordance with a formal vote of the Board and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, the Virginia Freedom of Information Act, as it became effective July 1, 1989, provides for certification that such Closed Meeting was conducted in conformity with law;

NOW, THEREFORE, BE IT RESOLVED that the Stafford County Board of Supervisors does hereby certify, on this the 26th day of March, 2013, that to the best of each member's knowledge: (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were discussed in the Closed Meeting to which this certification applies; and (2) only such public business matters as were identified in the Motion by which the said Closed Meeting was convened were heard, discussed, or considered by the Board.

County Administrator, Mr. Anthony Romanello, addressed the Board, giving a brief overview of the items on the agenda for the Board's special meeting.

FY2014 Budget Recap

Ms. Collins spoke about the County's progress on priorities, which included a summary of budget changes and FY2014 proposed budget initiatives aimed at addressing the Board's priorities on reducing the tax burden; fiscal responsibility; public safety; education; infrastructure; economic development; and service excellence. Also included with the budget materials was a copy of the Stafford County Public Schools (SCPS) FY2014 School Board Approved Budget.

Ms. Collins noted that the proposed FY2014 County budget demonstrated a lower cost per capita than surrounding localities and included a 2.2% increase over the adopted FY2013 budget. It included scaling back the debt ratio by 2% over the FY2013 budget, and no increase in tax rates. It eliminated personal property tax on one vehicle per Sheriff's volunteer, and was calculated with no change to the boat tax, allowing for the Board's desire to have options including keeping the boat tax the same, reducing, or eliminating it altogether.

Mr. Sterling asked for clarification on the Schools' net operating expenses in its budget. Ms. Collins said that the Schools' proposed net operating costs were \$1.1M (an increase of 1% over last year's budget). Mr. Sterling noted that there was no VPSA funding in either the School or County budget. Ms. Collins said that it was a one-time cost in the amount of \$886,234 (capital outlay). In response to Mr. Sterling's question about the Schools' Student Information System, Ms. Collins said that she would get the information from the School's finance staff and report back to the Board.

Ms. Collins was also asked to provide information about any other cash capital projects in the Schools' budget, including school buses. Mr. Romanello said that \$3M for VPSA was a one-time expense and that savings were not used for recurring expenses; that it was not illegal, but it was ill-advised. He added that Schools would have to reduce their CIP or increase their borrow.

Mr. Milde asked about the \$3M referenced in the Q & A document, asking if the \$3M was earmarked for a particular project. Mr. Romanello said that it was the \$3M for Stafford High School. Mr. Milde said that the School's answer in the Q & A was clearly wrong.

Mr. Sterling asked about County department-by-department budget increases and wanted to know what drove the requested increases. Ms. Collins responded talking about indirect cost allocations, which change every year, and were based on Landfill revenues.

Landfill services are divided, by department. Mr. Sterling said that \$500k was a lot of money for the Landfill. Ms. Stimpson asked that when Ms. Collins provided a more concise report on indirect cost allocations, that she include the R-Board and Utilities, and provide a complete picture when reporting back to the Board.

Budget Questions and Answers

With regards to the Q & A hand-out, Mr. Romanello noted that Page 3 offered a salary comparison for School and County staff, dating back to 2008. Mr. Snellings asked about FY2011, which indicated no increase, and whether Schools received a raise in FY2011. Ms. Collins said that it was based on categorical funding and that School staff did not receive a raise in FY2011. Mr. Milde said that it appeared that Schools received a 2% raise in three of the past five years (based on the chart).

In talking about health care costs, Mr. Sterling asked about the percentage paid by School staff vs. the percentage paid by County employees. Ms. Collins responded that the Schools had several plans, whereas the County had only two plans. Mr. Romanello said that, for example, KeyCare 15 coverage, for County employees, was currently at an 85/15 rate; next year it will be elevated to an 80/20 percentage of County/employee payment for health care insurance. Ms. Collins said that a County employee with family coverage currently paid approximately \$200/month. A School employee with family coverage currently paid \$664/month. Mr. Sterling asked that Ms. Collins provide a breakdown, by numbers, of School employees and in which plan they participated.

Mr. Snellings asked if the County and Schools negotiated health insurance costs separately or jointly. Mr. Romanello said that it was separate negotiations, adding that both were self-insured, that bids were to cover administrative costs. Ms. Stimpson asked if the bids could be combined. Chief Financial Officer, Maria Perrotte, said that it was typical for School and County systems to have different structures; that Schools paid higher for the same tier due to demographics, and different choices made by School employees. Mr. Sterling asked for more information on the huge discrepancies.

A discussion ensued regarding Virginia Retirement System's increased costs. Ms. Stimpson said that the County would save money doing the four-year option. Mr. Romanello said that staff was not favoring one way more than another; that staff was providing options for the Board to review and consider. Mr. Thomas noted that salaries would be less in the first few years but would accelerate in year five.

Mr. Thomas asked about the amount of a sign-on bonus paid in Spotsylvania, adding that Stafford's salary scale was clearly behind. Mr. Milde asked if the goal was to skew salary scales. Mr. Cavalier stated that there was an effort in 2001 to level salary scales but that as years passed, the scales (or steps) were no longer equal. He added that a lot of money was spent to fix the problem. Mr. Milde talked about increasing the first three levels to pass Spotsylvania, then to mirror Spotsylvania plus 2%, he added that there should be more money given to the lower steps on the pay scale. Mr. Cavalier said that if that happened, the math did not work; that only one step should be changed.

Mr. Snellings asked about turnover, inquiring if the 13.2% in FY2012 included retirees. Ms. Collins said she would verify that information for Mr. Snellings. Ms. Stimpson said that she believed that the issue of turnover had already been addressed. Mr. Thomas said that 62 out of 192 resignations were due to military transfers. 27 resignations were due to salary issues and/or better paying jobs. Ms. Stimpson summed it up saying that 14% of resignations were due to money/salary issues.

New Positions

Sheriff Charles Jett addressed the new position that would be shared by his office, Fire and Rescue, and Information Technology, saying that the conversion of a part-time programmer to a full-time Computer Aided Dispatch (CAD) Programmer/Analyst was vital to manage the recently approved upgrade to a new CAD/RMS (Records Management System), which covered a broader scope and complexity than the existing system and required more dedicated IT support. The Sheriff said that the budget impact was \$5500.

Ms. Jamie Porter, Director of Parks, Recreation, and Community Facilities, spoke to the Board about the request for two new one-half year maintenance workers, with a budget impact of \$45,000. These positions would be utilized at the new Chichester Park and the new Civil War Park. An approximate 14-16 hours per week would be dedicated to opening and closing the Civil War Park, picking up trash, maintaining the trail, mowing and weed-eating the common areas, cleaning the picnic areas and managing seasonal cleaning.

A discussion ensued concerning County money requested for the Civil War Park. Ms. Stimpson said that the County recently gave \$60k to the Civil War Park. Mr. Milde said that was from the contingency fund. Mr. Romanello said that was accurate and that he would confirm whether the final money from the Civil War Preservation Trust (CWPT) grant was received.

Ms. Stimpson asked Deputy County Administrator, Tim Baroody, when the County would know about the CWPT funds. Mr. Baroody said that he would contact the CWPT and report back to the Board with the requested information. He added that the County was working through final survey work before the easement was placed on the property and funds were received.

Mr. Michael Muse, Director of the Department of Social Services, talked about the proposed new position of Human Services Assistant II. The position would be 56% state/federal funded with a \$22,200 cost to the County. The position would act as a “screener” who served as the first point of contact for citizens applying for assistance; including interviewing new applicants, completing computer inquiries, screening for eligibility, and setting up new cases for SNAP, Medicaid, TANF, Energy Assistance, and Child Daycare (all federally mandated programs). Mr. Muse said that currently, after a weekend, there were fifteen to thirty new applications awaiting triage including eligibility determination and processing. Ms. Stimpson noted that the Finance, Audit, and Budget Committee (FAB) discussed this at length.

Boat Tax

Commissioner of the Revenue, Mr. Scott Mayausky, gave a presentation and answered Board members questions. Mr. Milde asked about the overall benefit that citizens gain from the boat tax. Mr. Mayausky said that support of law enforcement may be a benefit but there was not much of a benefit to citizens from the boat tax.

Mr. Milde talked about large boats leaving Stafford County, as demonstrated in Mr. Mayausky’s presentation; adding that boats over 40’ numbered twenty-one taxable boats in 2010. He said that in 2013, that number dropped to only five boats and overall, the total number of taxable boats in Stafford County (in 2010) was 5,130. That number dropped to 4,373 in 2013 and was continuing to decline as people moved their boats to surrounding jurisdictions with less or no boat tax. Mr. Milde said that local marinas were expanding to their facilities and looking to the Board for help with the boat tax issue. Mr. Mayausky noted that five to six years ago, all the marinas were full. At present, they were only 60% to 70% full and boats were leaving Stafford faster than the state-wide average according to statistics from the Virginia Institute of Marine Science.

Mr. Cavalier said looking at the trend the County lost approximately \$500k in revenue from boats leaving the County. He said that all areas of the economy in general were spiraling downward so it was difficult to put a number on why boats are leaving the County. He added that people may be down-sizing and selling boats, not just moving them to different localities.

Mr. Cavalier said that however, the tide must be turned on boats leaving the County. Mr. Mayausky said that the shrinkage percentage of total revenue was less and less significant. Mr. Milde added that according to a University of Mary Washington study, it was .33 of 1%. He talked about boat tax rates in neighboring localities. Ms. Stimpson said that in Prince William County, the boat tax was \$.0001.

Schools/County Partnership – At Risk Youth

Ms. Donna Krauss, Assistant to the County Administrator for Human Services, gave a presentation and answered Board members questions. Ms. Krauss said that Human Services acted as the fiscal agent for the Comprehensive Services Act (CSA) and that the Community Policy and Management Team (CPMT) recommending the funding strategy at its meeting on January 13, 2013. She added that the proposed strategy placed local funding for private day school placements within the School's budget, giving them the opportunity to manage funds, and providing flexibility and enhancement opportunities to the program. The Human Services office would remain the fiscal agent for CSA and maintain all of the administrative budget processes. Ms. Krauss said that the plan was reviewed by the State CSA office as well as by the County Attorney's office, both of whom indicated that it was in compliance with state law in consistent with CSA policy.

Budget Ups and Downs

Ms. Nancy Collins spoke about the ups and downs of the FY2014 proposed budget. In reviewing state-supported positions for the Department of Social Services, Ms. Collins said that the County funds more than is required by the State. Mr. Romanello added that the County was not obligated to do so. He noted that at the Board's April 9th meeting, Ms. Collins would provide a FY2013 Fourth Quarter review and revenue update. The County was working on refining outstanding debt service savings; rates were shifting up and down and staff was working with the County's financial advisors.

Ms. Stimpson talked about personal property taxes for vehicles and the positive numbers, over revenue, in FY2011. Mr. Mayausky said there was a positive increase in the car tax revenue of approximately \$4M in FY2011 and \$5.6M in FY2012. Ms. Stimpson asked for a mid-year projection on car taxes in FY2013. Ms. Collins said that the number was approximately \$800k. Ms. Stimpson said that it was recorded in the Free Lance-Star that new car sales were up 7.5%; that the County showed a \$4M to \$5M surplus each of the past few years. She said that the personal property tax rate of \$6.89 was set in April, 2009 and prior to that increase, it was \$5.49.

Ms. Stimpson asked how many cars were in Stafford County. Mr. Mayausky responded that it was approximately 106,000. Ms. Stimpson said that there were approximately 50,000 parcels so that equated to around two vehicles per real estate parcel.

CIP Financing

Chief Financial Officer, Ms. Maria Perrotte, presented the sources and uses about funding options for the Capital Improvements Program (CIP). Mr. Thomas asked about the \$10M list of needs/things to be fixed, updated, etc. He asked if that money is used for other projects, what happened to those needs on the the \$10M list. Ms. Perrotte responded that things on the \$10M list would be delayed.

Mr. Snellings talked about land acquisition saying he went through the list and asked if the eight acres at Celebrate Virginia could be used as park land. Ms. Snellings asked that a list of available County-owned land for sale be provided to the Board.

Mr. Sterling asked about selling proffered park land. Mr. Romanello said that if it was proffered as park land, it must be used as park land, or an amendment to the proffers would be required to change the usage. Mr. Romanello said he would check with the Bond Counsel to determine if land purchased with bond money could be sold.

Finance and Budget; Authorize a Public Hearing on the Proposed FY2014 County Budgets; the Proposed CY2013 Tax Rates; and the Proposed FY2014-2023 Capital Improvement Program

Ms. Nancy Collins addressed the Board saying that the proposed FY2014 budget included a reduction to zero in the personal property tax rate for one vehicle per Sheriff's volunteers; it included the full rate of the boat tax, \$5.49, to allow the Board flexibility to leave it the same, lower it, or remove it altogether. Ms. Stimpson handed the gavel over to Board Vice Chairman, Bob Thomas.

Ms. Stimpson said that she wanted to offer a motion to move forward with the public hearing but, based on Mr. Mayausky's numbers, the County was clearly overtaxing on the car tax so included in her motion was a reduction of the the car tax \$6.19 for tangible personal property. Mr. Gary Snellings seconded the motion. Mr. Sterling said that at the final vote on the budget, the Board would be able to reduce rates but not increase rates.

Ms. Stimpson restated her motion to move R13-97, R13-98, R13-100, and R13-101 to public hearing with a change in the personal property tax to a rate of \$6.19. County Attorney, Charles Shumate, noted that only a vote on R13-97 was necessary, which sent to the County Administrator authorization to hold the budget public hearing on Tuesday, April 9, 2013. Ms. Stimpson reiterated that she wanted to move those forward with the tangible personal property rate being reduced from \$6.89 to \$6.19, walking it half-way back from the 2009 increase. Mr. Shumate reminded the Board that they could always go down but could not go up from the advertised rate.

Mr. Milde said that he wished to offer a friendly amendment reducing the boat tax rate to \$2.74 from the current \$5.49 rate, which would put the County's boat tax rate well above neighboring localities. Ms. Stimpson said that she did not accept it as an amendment; that Mr. Milde could do a substitute motion if he chose to do so. Mr. Milde changed his motion from a friendly amendment to a substitute motion, seconded by Mr. Cavalier, who asked for clarification that it was only a second to Mr. Milde's recommendation of a \$2.74 rate on the boat tax. Mr. Milde said that he wished to amend the motion to accept the \$6.19 tangible personal property rate as well as the \$2.74 boat tax rate. Mr. Cavalier asked Ms. Collins how much, in overall terms would the \$6.19 car tax rate reduce revenue. Ms. Collins said that it would be just over \$3M reduction.

Mr. Sterling asked if another substitute was in order. Mr. Shumate responded that the first substitute motion must be dealt with before another substitute could be entertained. Ms. Stimpson said that she wished to remind the Board that although Ms. Collins said it was a \$3M reduction, there has been a \$4M and \$5M surplus each year on the car tax and that there were 107,000 cars in Stafford County. She added that it was a regressive tax that would hit everyone, and would benefit everyone.

Mr. Sterling asked Ms. Stimpson where she intended to cut \$3M from the actual operation of the County. Ms. Stimpson said that it was obvious that the County was over-taxing. Mr. Sterling asked if staff was projecting a surplus in FY2014. Ms. Collins said that at the mid-year review, there was just slightly more than \$1M. Mr. Sterling said that \$500k was spent on the Gap Pay issue with the Sheriff's Office. He added that the County was not running a surplus and asked Ms. Stimpson if she planned to cut the budget to accommodate the reduction in tangible personal property tax. Ms. Stimpson responded saying that there was a \$7M surplus each year that she was on the Board and that it was obvious that citizens were being over-taxed on the car tax, which was a regressive tax that hurts economically disadvantaged residents. Mr. Sterling asked if the Board was going to cut the budget to cover projected revenues in the amount of \$3M, and

asked what individual budget items would be cut to accommodate the suggested \$3M reduction.

Ms. Stimpson said that it was clear that in her four years on the Board, the County had a \$6M to \$7M surplus each year, and the County was on track to do the same thing again this year. She added that in 2009, the tax was raised from \$5.49 to \$6.89 and that it was supposed to be just for one year due to an equalized tax rate and assessments being down. The Board never adjusted that tax rate, it was a regressive tax and the Board was over-charging residents by about \$5M.

Mr. Schieber said that he did not support the motion; that the Board was handed a lot of information that should be digested before voting. He added that there were significant resource needs including a huge request from the Schools and needs across the entire services portfolio. Mr. Schieber noted that he was open to it but only after having time to weigh all the options, adding that he was not there yet.

Mr. Cavalier withdrew his second to the substitute motion. Mr. Thomas asked if that was in order. Mr. Shumate said that it was not in order. Mr. Shumate clarified that neither Mr. Milde nor Mr. Cavalier could withdraw their motions once there was debate on the motion. Mr. Sterling said that the Board did it in the past. Mr. Shumate said that if the Board's majority wished to overrule Robert's Rules of Order, the second could be withdrawn.

Mr. Cavalier motioned to suspend the rules to allow his second to the substitute motion to be withdrawn. Mr. Sterling seconded the motion. Ms. Stimpson said that while she would prefer that Mr. Cavalier's second not be permitted to be withdrawn, that the Board's custom and tradition allows that he be permitted to withdraw his second to the substitute motion.

Mr. Milde said that what he wished to do was to amend his motion, which he'd seen done on many occasions. His amendment would be to keep everything exactly the same with the exception of the car tax and would take that as a separate issue. Mr. Shumate advised that the ruling on the floor was up to the Chairman, who had not yet made a decision. Mr. Cavalier said that the reason for withdrawing his motion was that he wished to take each tax rate under separate consideration rather than combining them, which clouded the picture. Mr. Thomas stated that using the Chairman's prerogative, he would permit Mr. Cavalier to withdraw his second to the substitute motion.

Ms. Stimpson seconded Mr. Milde's substitute motion. Mr. Thomas confirmed that it was the current motion on the floor. Mr. Sterling clarified that it was the original, substitute motion with cuts to both the boat tax and personal property tax but with no cuts to the budget.

Mr. Sterling said that at the time, he and Mr. Milde were the only supervisors on the Board when the budget was misaligned, that revenues and expenditures were not aligned. He walked into a budget with a \$6M deficit, or structural spending imbalance. The County's bond rating was in bad shape and the County was on watch for its rating to be down-graded. Mr. Sterling added that it took several years of painful decisions to get the "financial house back in order." He said that the County could not go through that again, and that there was no corresponding budget proposal to offset the suggested reduction in the personal property tax rate.

Mr. Sterling noted that there was a lot of discussion about reducing the boat tax. He reviewed the spending per pupil at neighboring localities including Prince William County where, if the County were to put another \$23M into the Schools budget, Stafford would be spending as much, per pupil, as Prince William County. With Spotsylvania, it would require an additional \$16M. He said that last year, the teachers were promised a 2% raise that did not happen. Mr. Sterling said that he would not support the amendment because it would create another fiscal imbalance, and that it was irresponsible.

Mr. Milde agreed with Mr. Sterling's comments saying that the Board had to pass a balanced budget and if the amended motion were to pass, expenditures would have to be adjusted before the tax rates were voted on. Mr. Milde said that he had a suggestion that would address the \$3M imbalance right away which would be delaying the demolition and rebuild of Stafford County High School. Mr. Milde said that Mr. Sterling's number was wrong, that a remodel would generate \$2.4M to \$2.5M annually and fix most of the problem, leaving \$3M in cash that he would suggest go to stipends or teacher sign-on bonuses. Mr. Sterling said that debt service on Stafford High School was only \$350k according to the paperwork in front of him.

Ms. Stimpson asked Mr. Mayausky to come forward to look at the facts about the car tax. Ms. Stimpson said that this was her fourth year on the Board and her suggested car tax reduction was not made on a whim but only after seeing a \$7M surplus, adding that she felt that obviously the County was over-taxing its citizens. She asked Mr. Mayausky how long the car tax was at the \$5.49 rate (going back to 1996). Mr. Mayausky said that he did not have any idea when the \$5.49 rate was set. Ms. Stimpson said that from 1996 to 2009, that was the rate.

Mr. Mayausky said that historically, personal property tax rates increased by 7% to 8% every year. Ms. Stimpson referred to a two-year dip in personal property taxes in 2008-2009 but that new car sales were up by 7.5% in the current year. She restated her belief that the County was obviously over-taxing in that category. She asked Mr. Mayausky to restate the FY2011 surplus, which was \$5.7M and \$4M surplus in FY2012. Ms. Stimpson said again that the County is making money off people who own the 107,000 cars garaged in Stafford County.

Ms. Stimpson then asked about the County's revenue stabilization fund (an extra fund set up as a buffer in case...) and the balance in currently in that fund. Ms. Collins responded that it was ½% of the General Fund revenues or a total of \$1.2M. Ms. Stimpson said that the County already had \$1.2M set-aside and if it was needed, the County could take surplus money and replenish that. Ms. Collins said that there were certain rules in the County's fiscal policies that govern use of that fund. Ms. Stimpson said that the County could up the \$1.2M using 1% instead of ½%, as a hedge and talked about a sixteen year trend of 7% to 8% increase in personal property taxes. She said that there was no structural imbalance, that spending could be cut.

Mr. Sterling asked Ms. Collins for the projected FY2013 surplus after \$500k was spent on Gap Pay for the Sheriff's Office. Ms. Collins said that it would be in the hundreds of thousands of dollars. Mr. Sterling asked for the projected surplus in FY2014. Ms. Collins said that the County had a balanced budget.

Mr. Thomas said that while he was intrigued by the numbers put forth by Mr. Stimpson, he agreed with Mr. Schieber and wished for time to digest everything. He said that while he was open to the possibility of reducing taxes, Mr. Thomas wished to keep the flexibility and would not be supporting the substitute motion on the floor.

Mr. Romanello clarified the motion on the floor as being to advertise the personal property tax rate at \$6.19 and the boat tax at \$2.74. Mr. Cavalier asked for clarification of parliamentary procedure and if, after the vote on the current substitute motion, was another substitute motion in order. Mr. Thomas said that he believed that it was.

Mr. Milde located the document he was looking for which indicated that debt service on the new Stafford High school was \$1.4M with an additional \$3M in cash. Mr. Sterling said that the \$3M cannot be used for recurring costs. Mr. Milde noted that it could be used for teacher stipends which the School Board said they would prefer rather than adjusting the pay scale. Mr. Sterling read from the Question & Answer portion of the meeting's hand-outs which states that if the Stafford High School rebuild was delayed,

debt service, in the amount of \$347k could be reduced from the FY2014 budget. Mr. Milde said that County numbers indicate the figure at \$1.4M, which he trusts more than School numbers. Ms. Collins said that the \$1.4 included the total borrow for Stafford High School. The \$347k was the amount not yet borrowed. Ms. Perrotte said there was some flexibility in the VPSA borrow so that if the School Board were to change their decision on Stafford High School, some of the funds could be applied to other projects that are anticipated to be borrowed in the spring. Ms. Perrotte said that a spring borrow was already authorized and the date to send in the application was April, 2013. Mr. Sterling reiterated that the County could not use debt service to pay teacher's salaries. Mr. Romanello said that there would be a subsequent action from the School Board as all but \$4M was approved for the spring borrow.

Ms. Stimpson asked if by adjusting the County's projections to reflect a more realistic number, there would not have to be a \$3M spending cut in order to accommodate her motion of an advertised \$6.19 tangible personal property tax rate. Mr. Cavalier said that he would vote against the motion on the floor due to the fact that he wished to take up each tax item separately and the current motion covered two tax items.

Mr. Thomas clarified that the motion on the floor was to adjust the personal property tax rate to \$6.19 and to adjust the boat tax to \$2.74.

The Voting Board tally was:

Yea: (3) Milde, Snellings, Stimpson
 Nay: (4) Cavalier, Schieber, Sterling, Thomas

Mr. Thomas noted that the motion failed and Ms. Stimpson's original motion for a personal property tax rate of \$6.19 was then on the floor. Mr. Sterling then offered a substitute motion to change the CIP to eliminate the Courthouse expansion. Mr. Cavalier seconded the substitute motion. Mr. Milde asked Mr. Sterling to explain his substitute motion.

Mr. Sterling said now that the Chichester Building was completed, the CIP was very tight and he did not see the need to build a new courthouse, and his substitute motion would eliminate that as a line-item for the next ten or eleven years. At that time, if the Board wished, it could be revisited (if there was a need) but there was no need for it to be included in the current CIP. Mr. Milde said that he did not have enough information to vote on it at that time. Ms. Stimpson asked to clarify the amount in question.

Mr. Milde said that he could be persuaded to vote for it if the Board was willing to move up the Animal Shelter on the CIP. Mr. Sterling said that the Animal Shelter was only two years out. Mr. Milde said that he would like to see it next year and would have liked to have seen it three or four years ago. Ms. Perrotte, in response to Ms. Stimpson's question said that the amount was \$26.8M in FY2019-2021.

Mr. Thomas repeated Mr. Sterling's substitute motion to retain all tax rates as written and the only change being to eliminate the new courthouse from the CIP. Ms. Stimpson clarified that no rate (including \$6.89) changed. Mr. Thomas confirmed that no tax rate was changed in Mr. Sterling's substitute motion.

Mr. Schieber asked for the ramification to not doing the courthouse, if there was an operational impact. Mr. Sterling said it would have provided additional space. Mr. Milde said that without more courtroom space, it meant more criminals on the street. Mr. Romanello replied that the project contained in the CIP was an expansion. Many renovations were done but space continued to be an issue. There was one final renovation out to bid of the former space occupied by the Commonwealth's Attorney. The item in the CIP was based on space needs assessments, and based on current and anticipated demands.

At Mr. Milde's request, Mr. Romanello stated that while he did not have the exact numbers, caseloads in Stafford County were among the highest in the Commonwealth. He added that Stafford is the largest in the 15th Circuit and when the General Assembly convened, it would allocate additional judges based on caseloads and space/capacity available to house additional judges. Ms. Stimpson asked if the Governor's amendment added another judge. Mr. Romanello replied that the Governor's amendment added a judge to the 15th Circuit but he did not know if that meant to Stafford County.

Mr. Schieber asked if by the opening of the Chichester Building, was there any relief provided that precipitated expansion of the Courthouse. Mr. Romanello replied that it did not. It provided additional space for judge's chambers, a conference room, and office space but not space to build another courtroom. He added that there were seven courtrooms in the building and the only way to add another courtroom was to expand the facility, hence the project contained in the CIP. There were seven judges that currently sit in Stafford County.

Mr. Milde said that the Courts used the Board Chambers to try cases. He added that he believed that Mr. Sterling's substitute motion was last minute and a rash choice. Mr. Milde asked Mr. Romanello if there was a connection between caseloads and waiting to go to trial. Mr. Romanello said there would be, particularly at the Circuit level where more serious crimes are tried and where offenders were housed at the Jail awaiting court proceedings. Mr. Milde asked if that type of expenditure was categorized under public safety. Mr. Romanello replied that it was both public safety and general government.

Mr. Cavalier said that he wished to withdraw his second to Mr. Sterling's substitute motion as he did not realize that it included not only pulling the Courthouse expansion from the CIP but also a vote on all the tax rates, which he wished to hear independent of each other. Mr. Thomas agreed that Mr. Cavalier could withdraw his second.

Ms. Stimpson asked for further clarification as to the amount involved in pulling the Courthouse expansion from the CIP as specified in Mr. Sterling's substitute motion. Mr. Romanello stated that it was \$26.7M. Ms. Stimpson seconded Mr. Sterling's substitute motion. Mr. Schieber said that he was intrigued but needed additional information and would not vote in favor of the substitute motion. Mr. Thomas agreed with Mr. Schieber in that he was not prepared to vote affirmatively without more information. Mr. Sterling said that the notion was not new; it was bantered about for five to six years about not building any additional government buildings at the County government complex. Mr. Sterling added that he would be happy to have it included but that it should first be taken to the voters on referendum and give citizens the opportunity to say how they wished for their tax dollars to be spent.

Mr. Thomas repeated Mr. Sterling's substitute motion that R13-97 be approved with all tax rates remaining the same, with the exception of removing the Courthouse expansion from the CIP.

The Voting Board tally was:

Yea: (2) Sterling, Stimpson

Nay: (5) Cavalier, Milde, Schieber, Snellings, Thomas

Mr. Thomas stated that Ms. Stimpson's motion was back on the floor.

Mr. Cavalier made a substitute motion, seconded by Mr. Milde, to lower only the boat tax to \$2.74. Ms. Stimpson said that she appreciated Mr. Cavalier's substitute motion and would support a reduction in the boat tax but wished that he would support reducing the personal property tax as well.

Mr. Milde asked if the boat tax were set at \$2.74, how much money would be generated in the FY2014 budget. Mr. Romanello said, “\$250K.” Mr. Cavalier told Ms. Stimpson that he appreciated her comment and wished to remind her that the Board was advertising maximum rates that in the final analysis could be reduced when the Board takes its final votes on April 23rd.

Mr. Sterling said that based on Mr. Cavalier’s comments, he would argue to leave all the tax rates the same until final budget deliberations and vote. Mr. Sterling added that he wished for a 2% salary increase for the teachers in addition to a STEP increase, which the County may not be able to do as the amount to do both was approximately \$4.6M. If the County could come up with \$2.3M, the STEP increase could be implemented mid-year.

Mr. Sterling asked Mr. Cavalier why he contemplated a decrease in the boat tax at that time. Mr. Milde offered to answer for Mr. Cavalier saying that the reduction in the boat tax was the only tax that had been discussed and thoughtfully deliberated. Mr. Sterling said that discussions centered on giving additional funds to the Schools. Mr. Milde said that he was happy to give the additional \$250K to the Schools but that the Schools needed a lot more than that.

Mr. Thomas clarified that the motion was to move forward R13-97 with the only change being a reduction in the boat tax rate to \$2.74.

The Voting Board tally was:

- Yea: (4) Cavalier, Milde, Snellings, Stimpson
- Nay: (3) Schieber, Sterling, Thomas

Ms. Stimpson thanked Mr. Thomas for acting as Chairman, saying that he did a very good job. She clarified that the substitution motion passed and that the budget public hearing would be held on April 9, 2013.

Adjournment At 8:12 p.m. the meeting was adjourned.

Anthony J. Romanello, ICMA-CM
County Administrator

Susan B. Stimpson
Chairman