

At a special meeting of the Pulaski County Board of Supervisors held on Monday, April 6, 2015 beginning at 6:00 p.m. in the Conference Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, following members were present: Joseph Sheffey, Chairman; Charles Bopp, Vice-Chairman; Andy McCready; Ranny O'Dell; and Dean Pratt.

Present from county staff were Peter Huber, County Administrator; Karen Thompson, Assistant County Administrator for Management Services; Gena Hanks, Clerk to the Board of Supervisors; Diane Newby, Finance Director; and Tammy Safewright, Human Resource Specialist.

1. FY 16 Budget Considerations

Mr. Sheffey advised the purpose of the initial part of the meeting was for the Board to conduct a budget work session.

A. Approval of Health/Dental Insurance Rates

Ms. Safewright described information provided by Wells Fargo related to the county health/dental insurance rates.

Board members discussed the following: employee and employer premiums; the costs associated with a 50/50 split; dental rates; open enrollment dates; ACA requirements; a recent Supreme Court case related to Obama Care; and potential for bundling dental and vision.

Staff was requested to contact Wells Fargo representative and express Board's concerns over lack of accurate information, as well as to determine if Wells Fargo is aware of the recent Supreme Court case. Staff was also requested to provide Board with additional information related to a 50/50 split, 80/20 for dental and bundling of dental/vision, with said information to be provided for consideration by the Board at its joint School Board/Board meeting to be held on Thursday, April 9, 2015.

B. Revenue Projections and Expenditure Requests

By consensus, the Board of Supervisors tabled work on the revenue/expenditures to the Thursday, April 9<sup>th</sup> joint Board of Supervisors/School Board meeting, and requested staff contact the School Board staff to request that the joint meeting be moved to 7:00 p.m. to allow for a Board of Supervisors budget work session to begin at 6:00 p.m.

2. Welcome and Call to Order

Mr. Sheffey welcomed everyone in attendance and described the protocol for speakers.

Mr. Sheffey advised of the passing of Bud Walsh, longtime resident, community leader, President of the Fair Association, as well as having served as a past President of the Chamber of Commerce. Mr. Sheffey called for a moment of silence in memory of Mr. Walsh. Southwest Times Reporter Melinda Williams provided details on the funeral arrangements for Mr. Walsh.

Mr. Sheffey advised the Board had held a budget work session at 6:00 p.m. and that discussions related to the expenditure and revenue summaries would be carried over to just prior to the joint Board of Supervisors/School Board meeting being held on Thursday, April 9, 2015 at 6:00 p.m.

3. Public Hearing

A. Proposed Real Property Tax Rate Change

Mr. Huber advised a public hearing has been scheduled to consider property tax rate change to equalize revenue from real estate taxes, raising the real estate tax rate from 59 cents to 64 cents per \$100 of assessed value. Mr. Huber advised the most recent accounting for the reassessment changes indicated that the county would lose \$74,774 in real estate revenues at the 5-cent recommended rate based solely on the impact of the reassessment.

Mr. Sheffey described the three and five minute time limits for the public to speak.

Mr. Sheffey opened the public hearing.

The following individuals spoke, with a brief summary of comments also noted:

Jeff Reeves inquired if the Board of Supervisors were aware of the increase in land use value taxation and Board members, by consensus, indicated they were not aware of the increase and expressed concern that there was no public notification of the increase. Mr. Reeves also expressed concern over the methodology used in the increase and the overall attitude of the Commissioner of Revenue office in the handling of the land use value taxation. Mr. Reeves shared with the Board the land use valuation taxation of surrounding counties.

## BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 6, 2015

Alan Graybeal expressed concern that the land use valuation tax increase, combined with a proposed real estate tax increase, would increase his taxes by 28%. Mr. Graybeal expressed concern that the increase in land use taxation was implemented without the benefit of public input or notification to the Board of Supervisors. Mr. Graybeal distributed a "Code of Ethics" for the Commissioners of the Revenue Association of Virginia. Mr. Graybeal requested the Board consider passing an ordinance that requires future land use taxation increases to be done in an open process. Mr. Sheffey inquired if Mr. Graybeal had appeared before the Board of Equalization regarding his property reassessment. Mr. Al Smith, a member of the Board of Equalization, described the timeline for appealing a reassessment.

Robert Bopp spoke on behalf of the Pulaski County Farm Bureau and expressed concern that the general citizenry was not aware of the increase in land use taxation, without the benefit of input from the public or Board of Supervisors. Mr. Bopp distributed a chart of comparable land use values throughout the State of Virginia. Mr. Bopp advised that the Pulaski County Farm Bureau supports land use, but that the recent increase in land use value taxation was counterproductive to what the land use program was intended.

Angela Clevinger spoke on behalf of the Pulaski County Education Association in favor of the proposed tax increase. Mr. Clevinger read a prepared statement related to state mandates placed on localities and the crisis facing schools in Pulaski County. Mr. Clevinger emphasized the need for education to be a top priority in Pulaski County and described the lack of pay increases over the years for school teachers. Ms. Clevinger requested the Board fully fund the funding request by the School Board.

Andy Pratt spoke to having children in the school system and the need to provide quality education. Mr. Pratt indicated a desire to continue in paying fair and equitable taxes, expressing concern that the recent increase in land use taxation was not implemented in a manner that was transparent to the public or the Board of Supervisors and did not provide reasoning for the increase.

Kathy Sutphin advised that the local farmers are not against the tax rate as advertised, but rather were against the increase in the land use taxation without the benefit of public input. Ms. Sutphin requested the Board of Supervisors recommend that the Commissioner of Revenue reconsider the increase in land use taxation and have a public hearing before moving forward with an increase.

E. W. Harless described his understanding of the history of changes in the land use taxation, as well as the current fee of \$520 per acre, with the recent increase to \$600 per acre. Mr. Harless expressed concern over remarks suggesting the Commissioner of Revenue had used "unethical" tactics in increasing the land use taxation and requested the Board of Supervisors provide support to the Commissioner of Revenue. Mr. Harless also expressed concern that farmers are receiving more than a fair share in tax breaks, including being excluded from paying personal property taxes on farming equipment. Mr. Harless suggested those in attendance at the meeting attend meetings of the Board throughout the year.

Mike Miller indicated his support for the farmers and speakers at the meeting, expressing concern that while his real estate assessment had been lowered during the recent reassessment, the property assessment of the general farming community had increased.

Laura Flory spoke to growing up in Draper and having attended Draper Elementary and receiving a valuable education. Ms. Flory advised she was in support of education and new schools, noting however, concerns over the recent increase in land use taxation fees. Ms. Flory requested the Commissioner of Revenue reconsider the decision to increase land use taxation.

Tim Sutphin described a history of growing up in Pulaski County and attending Pulaski County schools. Mr. Sutphin shared his farming experience, including funding required to operating his farm. Mr. Sutphin also described the impact on his taxes with the new land use taxation.

B. J. Ratliff spoke to growing up in Pulaski County and indicated no opposition to the proposed tax rate increase, expressing concern over the lack of public input or notification related to the land use taxation increase. Ms. Ratliff expressed support for providing good education to children in the county, as well as a comfortable environment. Ms. Ratliff also shared concerns that many farming communities were not provided the benefit of having buses pick up children.

Laura Bullard offered support for the real estate tax rate increase and spoke to the importance of providing quality education. Ms. Bullard expressed concern that the land use taxation was increased without the knowledge of the Board of Supervisors or the benefit of public input. Ms. Bullard indicated farmland provides more funding than services received. Ms. Bullard requested the Board encourage the Commissioner of Revenue to return the land use taxation to its previous \$520 per acre fee.

Mr. Sheffey closed the public hearing.

Mr. Huber described the Dillon Rule in the State of Virginia whereas the Board of Supervisors and Constitutional Officers are allowed to act when the power is granted in the express words of the State Code. Mr. Huber also described the process allowing for adjustments to the land use taxation occurring only during a reassessment and further described the purpose of the taxation is to preserve farmland and discourage subdivision development. Mr. Huber suggested the Board consider appointing an agricultural advisory committee that would work with the Commissioner of Revenue and Board of Supervisors on agricultural related issues, with individuals interested in serving on such a committee, place their name on the sign-in sheet in the foyer, along with an asterisk, which will then be provided to the Board of Supervisors.

Mr. Bopp expressed concern that the increase in the land use taxation was not done so in a manner that was more transparent to the farmers and general public.

Mr. Huber reminded the Board that the intent of the public hearing was to receive citizen input on the setting of a real estate tax rate, followed by a recommendation for a 5-cent increase in the tax rate from 59 cents to 64 cents, which is an equalized rate.

Mike Cox expressed concern that the Commissioner of Revenue did not involve the Board of Supervisors in the decision to increase the land use taxation.

Supervisor McCready noted there are 1,202 people enrolled in the land use taxation, with a total acreage of 66,909. Ms. Rupe advised these figures were for 2014 and that the 2015 figures had not been completed.

Supervisor Pratt spoke to serving on the Board for over 11 years and expressed concern over the lack of transparency related to the increase in land use taxation. Mr. Pratt suggested the increase should have been brought before the public through some form of advertising.

### Tax Rate Increase

On a motion by Mr. Pratt, seconded by Mr. O'Dell and carried, the Board approved a 5-cent increase in the tax rate from \$0.54 to \$0.64 per \$100 of assessed value, equalizing property taxes.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,  
Mr. Pratt.

Voting no: None.

Land Use Value Taxation

On a motion by Mr. Pratt, seconded by Mr. Bopp and carried, the Board approved requesting the Commissioner of Revenue to reconsider the land use value taxation increase and work in a more transparent environment to set future rates. Mr. McCready noted the Commissioner of Revenue followed state statute when setting land use taxation and is not required to notify the Board of Supervisors when setting land use taxation.

Voting yes: Mr. M McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,  
Mr. Pratt.

Voting no: None.

Mr. Huber also requested the Board allow for the county attorney to work with Ms. Rupe in exploring options within the State Code regarding land use value taxation.

Ms. Rupe advised that the State Code does not require a vote by the Board of Supervisors, or conducting a public hearing, to increase land use taxation. Mr. McCready clarified that the Board's request was to reconsider action taken by the Commissioner of Revenue to increase land use taxation. Ms. Rupe indicated that per the Board of Supervisors' request, she would roll back the land use taxation to the current \$520 per acre taxation. Ms. Rupe described changes that would need to be made to the distribution of tax tickets due to the roll back.

The Board requested Ms. Rupe provide an update on how the rolling back of the taxation would affect the dates for distribution of the tax tickets.

**B. Revised Budget Calendar**

Mr. Huber described changes in the budget calendar to allow for two additional budget work sessions.

On a motion by Mr. McCready, seconded by Mr. O'Dell and carried, the Board approved revised calendar to include additional budget work sessions.

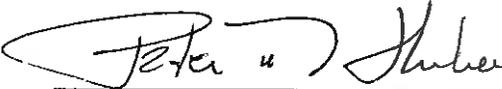
Voting yes: Mr. M McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,  
Mr. Pratt.

Voting no: None.

4. Adjournment

On a motion by Mr. O'Dell, seconded by Mr. Bopp and carried, the Board adjourned its special meeting to a joint meeting with the School Board scheduled for Thursday, April 9, 2015, beginning at 6:00 p.m. with a budget work session, followed by the joint meeting at 7:00 p.m., with said meeting to be held in the Training Room/Emergency Operations Center of the Information Technology Offices located in the Maple Shade Center, 89 Commerce Street, SW, in the Town of Pulaski.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.  
Voting no: None

  
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Peter M. Huber, County Administrator

  
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Joseph L. Sheffey, Chairman