

AT A BUDGET WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 14TH DAY OF APRIL 2011, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

B. ROLL CALL

Mary K. Jones, Chairman, Berkeley District
Bruce C. Goodson, Vice Chair, Roberts District
James G. Kennedy, Stonehouse District
James O. Icenhour, Jr., Powhatan District
John J. McGlennon, Jamestown District

Robert C. Middaugh, County Administrator

C. REVENUES

Ms. Suzanne Mellen, Assistant Manager of Financial and Management Services reviewed the estimated revenues. She noted that the biggest revenue is in real estate taxes, all attributable to growth. Ms. Mellen clarified that there was no assessment this year and that it was expected that land values would decrease with the reassessment that will impact the FY 13 budget. Mr. John McDonald, Manager of Financial and Management Services, noted that assessments for the last three months are slightly higher than sales prices. Mr. McDonald also noted State law requires a full real estate tax exemption for disabled veterans effective July 1, 2011.

The Board discussed the Business, Professional, and Occupational License (BPOL) tax. Ms. Jones stated her support for waiving the BPOL tax for businesses for the first two years of operation. Mr. Middaugh noted that the staff's recommendation was to refer this issue to the Economic Development Authority (EDA). Ms. Jones said she wanted to reevaluate the tax rate for the different types of businesses. Mr. Kennedy noted that professional services do not pay sales and meals tax. He expressed an interest in giving relief to businesses that are operating at a financial loss. Mr. McGlennon stated that the County needed to maintain a fair balance of taxes between residents and businesses. Mr. McDonald said that waiving the BPOL tax for the first two years would result in a loss of \$400,000 to \$500,000 of revenue. Mr. Richard Bradshaw, Commissioner of the Revenue, noted that only new businesses to James City County would qualify for the waiver. Mr. McGlennon stated if the BPOL tax was revised, he would prefer that it be done in a manner that is revenue neutral. Mr. McDonald said the idea was to target an exemption to certain businesses, but that the recommendation was to refer to the EDA. There was consensus to refer the issue to the EDA. Mr. Icenhour said the County should ensure a positive return on investment if an exemption is offered.

The Board asked for revenues and expenses related to the Marina, Legacy Hall, and cell towers. Ms. Jones said she heard concerns about how much the County charges for the use of Legacy Hall.

D. HUMAN RESOURCES

Mr. Middaugh stated health insurance rates came in better than expected, partially because of the County's decision to self fund this fiscal year. A nominal increase in employee share for health insurance will affect about 75 percent of employees is proposed.

Mr. Kennedy asked if other localities were giving salary increases. Mr. Middaugh distributed a handout showing the proposals for other localities in the region. Mr. Kennedy asked if the County was having any difficulty filling positions. Mr. Middaugh said that the County was not. Mr. Goodson clarified that the County Administrator was not proposing a salary increase, but merely that he wanted the Board to know that it could become an issue in the future. Mr. Kennedy said he would like to see actual salaries of jobs where the County was falling behind.

Mr. McGlennon asked how much a one-percent salary increase or bonus would cost. Mr. Middaugh stated that a one-percent salary increase would be \$313,800 for the General Fund and \$426,400 across all funds. A \$100 bonus would be \$58,200 in the General Fund and \$85,200 across all funds.

Mr. Middaugh explained the Line of Duty Act, which provides benefits to public safety employees and their families when the employees are injured or die in the line of the duty. This benefit had been funded by the State, but effective FY 12 it is mandated to be funded by the local government.

Mr. Middaugh explained a change in overtime policy for public safety that puts the County more in line with other jurisdictions. This change would count paid leave in the calculation of overtime. Mr. Middaugh recommended that the Board change the overtime policy for all employees and there was Board consensus to do so.

The Board discussed Virginia Retirement System (VRS) Plan 2. The consensus of the Board was to require Plan 2 employees to pay the employee share beginning FY 12, but to give existing Plan 2 employees a salary increase sufficient to maintain their take-home pay.

E. OPERATING EXPENDITURES

The Board reviewed the operating budget. It was noted that the rent could be reduced in the Economic Development budget. Mr. Icenhour stated he would like to see performance measures added to the Economic Development that could track return on investment, new investment and jobs created.

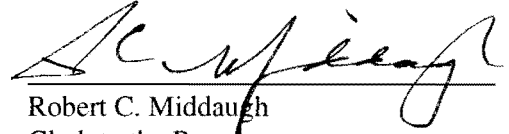
Discussion also included the possibility of adding police officers and firefighters to the budget, as well as questions about staffing in General Services.

F. ADJOURNMENT

At 10:28 p.m., Mr. McGlennon made a motion to adjourn.

On a roll call vote, the vote was: AYE: Goodson, Jones, McGlennon, Icenhour, Kennedy (5). NAY: (0).

The Board adjourned until 7 p.m. on April 18, 2011.



Robert C. Middaugh
Clerk to the Board

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