

ARTICLES OF INTEREST



Henrico County Manager **Virgil R. Hazelett** wishes counties had the same authority as cities and towns.

2/15/2010
P-T-D

Counties seek right to levy meals tax

They want authority to impose it without voter referendum

BY MICHAEL MARTZ
Times-Dispatch Staff Writer

About the 18th of every month, Ashland restaurateur Michael Pyle thinks about the meals-tax revenue he has to deliver to the town on the 20th.

RT-D FIRST "I start cringing," said Pyle, co-owner of The Smokey Pig on U.S. 1. "It's a pretty hefty chunk."

The heft is welcomed by Ashland, which collected more than \$1.8 million last year from the 5 percent tax. The Town Council bumped it up a penny on the dollar in 2004 after a public hearing but no voter referendum.

Henrico County Manager Virgil R. Hazelett wishes he had the same option. He had to delay dozens of projects for new schools, libraries, roads, and parks and recreation after Henrico voters rejected a 5 percent meals tax that was to pay for the \$349.3 million in bonds they approved at the same time in 2005.

Hazelett is among the chorus of officials from Virginia counties calling again for the same authority as cities and towns to levy taxes on meals without a voter referendum. The House of Delegates already has killed the idea once this year but is about to take up an even broader proposal that cleared the Senate in the first half of the session.

"We're always looking for addi-

Tax

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tional revenue sources, especially for infrastructure," Hazelett said. "With the way the county is growing and developing, we're going to need it."

It's an idea that never goes far in the General Assembly, but the proposal survived the Senate on a wave of concern about local governments' ability to pay for public services with falling real estate values and sharp cuts in state aid.

"I'm not necessarily an advocate of meals taxes, but I'm certainly not an advocate of having to raise real estate taxes, either," said Sen. John C. Watkins, R-Powhatan, who supported the measure that passed the Senate on a 25-15 vote late last month.

"I think the folks in these jurisdictions are going to find themselves between a rock and a hard spot in terms of being able to pay for education and public safety at the local level," Watkins said.

But other legislators and local officials say the last thing small businesses need in this recession is a new tax.

"We're not interested in raising new taxes out here in Hanover," said Ashland District Supervisor G. Ed Via III, who wasn't on the Hanover County board when voters rejected a meals tax in 2004. "There are just too many people hurting and out of work to raise taxes on them at this time."

Hanover County Administrator Cecil R. "Rhu" Harris Jr. said the county should have equal taxing authority with cities and towns, even though it has no plans to impose a meals tax. "We heard what the citizens said on the meals tax," he said. "We do

Tax bites

Few counties in the Richmond region levy a tax on meals — in part because they need voter consent — while cities and towns do not need voter approval. Here are the localities in the region that tax meals, their tax rates (in addition to the 5 percent state sales tax), and how much they collected in fiscal 2009:

Counties: Caroline, 4 percent, \$791,889; Dinwiddie, 4 percent, \$546,120; King William, 4 percent, \$67,960 (three months); New Kent, 4 percent, \$512,379.

Cities: Colonial Heights, 5 percent, \$4.26 million; Hopewell, 5.5 percent, \$1.62 million; Petersburg, 4 percent, \$1.3 million; Richmond, 6 percent, \$24.5 million.

Towns: Ashland, 5 percent, \$1.8 million; Bowling Green, 4 percent, \$142,563; West Point, 4 percent, \$223,450.

SOURCE: Local governments, Weldon Cooper Center for Public Service, State Auditor of Public Accounts

think we ought to be put on an equal footing."

The same day that Hanover voters said no, New Kent voters said yes to a 4 percent meals tax, joining Dinwiddie, Caroline and King William as the only counties in the region to impose such a levy. Richmond had approved a 1 percentage point increase on its tax, to 6 percent, on a City Council vote the previous year to raise money for a new performing-arts center. The city raised more than \$24 million with the tax in the last fiscal year.

Counties want the same option, but they face formidable opposition in the House of Delegates.

"These taxes at this point are the death knell of many people in the hospitality and restaurant industry," said Del. Harry R. Purkey, R-Virginia Beach, whose city led the state in meals-tax collections last fiscal year at more than \$48.3 million.

Purkey is leading in a different direction as chairman of the House Finance Committee, which already has killed the idea once this session. He and other House Republican leaders are adamantly opposed to tax increases, though Gov. Bob McDonnell hasn't taken a position yet on the issue of local taxing authority.

G. Paul Nardo, chief of staff to House Speaker William J. Howell, R-Stafford, confirmed that his boss doesn't favor the proposal. "He's not real keen on that, no," Nardo said.

Advocates of the proposed change are realistic about its chances in a hostile House.

"We know it's tough sledding ahead in the House of Delegates," said Michael L. Edwards, deputy director of the Virginia Association of Counties, which is pushing for the measure.

Chesterfield County Administrator James J.L. Stegmaier said the county supports the idea on principle, but he added, "Everything I'm hearing is that it's DOA on the House side, so we're really not thinking much about it."

Sen. Frederick M. Quayle, R-Chesapeake, introduced the legislation, known as Senate Bill 280, because Isle of Wight County doesn't have the ability to levy a meals tax without referendum, while the towns of Smithfield and Windsor do, along with the nearby city of Franklin.

"It seems very inequitable," said Quayle, who's also proposing to remove the

4-cent cap on county meals-tax increases.

But the Virginia Hospitality and Travel Association disagrees. "It's a little too easy for them to say, 'Give us the tax authority of cities,' when they don't have all the responsibilities of cities," said lobbyist Thomas A. Lisk, who calls Quayle's legislation "probably the most aggressive local tax bill we've seen this year."

Lisk pointed out that counties routinely put meals-tax proposals to voters. Last year alone, meals-tax proposals were rejected in three localities and approved in two, Southampton and Rockingham.

Sen. Stephen H. Martin, R-Chesterfield, who voted against the bill, warned that the public would not tolerate being bypassed by boards of supervisors in raising taxes.

"If that becomes law, legislators from all over the state are going to hear about it," he said.

Pyle, at the Smokey Pig, agrees, even though he's already subject to the tax.

"I just hope they don't pass something like that without having the people decide," he said.

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Chesterfield

School-county budget tension grows worse

BY JUAN ANTONIO LIZAMA AND WESLEY P. HESTER
Times-Dispatch Staff Writers



At a meeting last week, U. Omarh Rajah said the Board of Supervisors is "anti-youth."

Comments made last week by Chesterfield County School Board member U. Omarh Rajah suggesting that county leaders were lying to the public have added fuel to the fire in already-strained relations between the county and its school system.

The source of the ongoing tension is a tumultuous budget process for fiscal 2011, with a combined shortfall of nearly \$60 million between county and schools if further state reductions don't deepen the hole. The schools likely will feel most of the pain.

Responding to Manchester High School teacher Nancy Wood's assertion at a budget hearing that county supervisors had implied the school system was being wasteful with its money and less than transparent, Rajah responded: "If the Board of Supervisors said we're not showing documentation on spending, they're lying. They lie. L-I-E."

Then, referring to the county's handling of the budget, Rajah later added: "I don't believe the Board of Supervisors are anti-education. I believe they're anti-youth."

Board of Supervisors Chairman Daniel A. Gecker called Rajah's remarks "a sideshow."

"It's not productive to engage in this kind of dialogue at a time when we have significant issues to face. It just continues to sidetrack us," Gecker said. "What we need to be doing is moving toward solutions, not the continued divisive rhetoric."

Since last year, the supervisors have pushed the School Board and administration for details on where money is being applied and how budgetary decisions are being made. This year, supervisors are demanding answers before considering additional requests for funding, including \$12 million in surplus savings and unplanned tax contributions.

At last Tuesday's public hearing on the schools' proposed \$546.6 million budget, representing a \$42 million shortfall, Wood asked why the schools couldn't provide clarity to the county.

"They say we don't deserve extra money until we can prove we aren't being wasteful with what we have," she said. "What is the problem with producing the documentation they are asking for that would prove them wrong?"

Added Wood: "Rather than hiring efficiency experts who produce reams of paper no one has requested, hire accountants who can generate a line-item budget."

Rajah said the school system is transparent and efficient, and that the school administration has provided the information that county officials have requested, including budget line items.

"Every budget thing they've asked for, they have received," he said. "For them to say that we're not giving them everything they've asked for, that's hogwash."

The school budget proposal for next school year includes \$26.4 million in cuts, which include 3 percent and 4 percent pay cuts for employees and eliminating about 300 positions.

The county faces a projected \$27.3 million funding gap, half of which is accounted for in a local reduction to school funding. In addition, most county department heads have been asked to plan for 6 percent reductions.

"They're [county officials] not talking about freezing salaries," Rajah said. "We should be sharing the burden together, not balancing the budget on the back of the school system."

County Administrator James J.L. Stegmaier responded: "First of all, nothing has been decided, so it's hard to say at the end of the day what the cuts will be to services like libraries and mental health and what the cuts will be to school programs. The picture keeps changing on almost a daily basis."

School Board Chairman David S. Wyman said he believes Rajah, in his statement last week, was addressing the perception by some that the school district is not providing enough information on spending.

"The way in which he said it probably left a lot to be desired," he said. "Quite frankly, I would have said it differently myself."

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**RT-D
FIRST**

International Paper Co. plant

2/10/2010
RICHMOND TIMES



ROSS TAYLOR/THE ASSOCIATED PRESS

Gov. Bob McDonnell (left) and Senior Economic Adviser Bob Sledd yesterday discussed the plant's future with local officials. McDonnell said he wants to help but added that any final decision is up to International Paper Co.

15 buyers interested in mill

McDonnell says state will work with company on best use for Isle of Wight plant

BY JOHN REID BLACKWELL
Times-Dispatch Staff Writer

More than 15 potential buyers have expressed interest in International Paper Co.'s paper mill in Isle of Wight County, Gov. Bob McDonnell said yesterday.

On his first visit to the plant since being sworn in as governor last month, McDonnell said state officials will work with International Paper Co. to find "the best possi-

ble use" for the plant, which will close this year, costing 1,100 people their jobs.

McDonnell did not identify any potential buyers for the plant, but he said many of the companies that have made inquiries with state and local officials are in the bioproducts or green-energy industry.

BREAKING NEWS
2/9/10 1:22 PM
TimesDispatch.com

"Ultimately, this is a decision for International Paper," McDonnell said. "It's their asset, and they will have to decide what makes sense to them. We want to be able to help with regard to who they think might be the best purchaser or partner, whatever their business plans are."

International Paper announced in Octo-

ber that it will close the mill this year, blaming soft markets for its products and overcapacity in the paper industry. The closure is a major economic hit to the rural region around the city of Franklin and counties of Isle of Wight and Southampton.

Joined by state Secretary of Commerce and Trade James Cheng and Senior Economic Adviser Bob Sledd, McDonnell had public and private meetings yesterday with government officials in the region.

He also met with a handful of employees in a work-force assistance center set up inside the plant for employees.

"Our biggest goal is to help you get an-

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ROSS TAYLOR/THE ASSOCIATED PRESS

Gov. Bob McDonnell (left) listens to International Paper Mill employee Teresa McCaskey.

Mill

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other job," McDonnell told Teresa McCaskey, a 23-year employee at the mill. McCaskey asked McDonnell whether the state could provide any more assistance to workers facing financial hardships when their jobs disappear.

"We are not going to have the income that we had before," McCaskey said. "Either you are not going to be able to buy food and essentials, or you are not going to be able to pay for your home and you are going to lose your home."

McDonnell said he has made job creation a top priority of his administration, especially in areas such as Southside that have been particularly hard-hit by job losses in traditional manufacturing.

The first wave of job cuts at the International Paper mill in late December affected 159 employees, said Caroll Story, president of the United Steelworkers Local 2-1488, the union that represents the plant's hourly workers. More job cuts are expected in phases as the plant

shuts down various operations, with the largest of about 300 employees likely to come in May.

Story said about 38 laid-off employees have since found employment in the shipyards, but he urged McDonnell and state officials to provide incentives for another company to create jobs at the plant so local residents won't have to leave the area for work.

One potential buyer for the plant is Terry McAuliffe, an unsuccessful candidate for governor in 2009. McAuliffe said Monday that he and other investors want to buy the mill from International Paper and convert it to a wood-fired power plant.

McDonnell said he had learned the specifics of McAuliffe's proposal only yesterday.

"He's quite the entrepreneur," McDonnell said in a news conference at the plant. "I've talked to him several times — he's got an idea a minute, particularly in the green-energy field."

"There are a number of proposals," McDonnell said. "All of them I am sure will be evaluated by International Paper."

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U.S. grants to boost Internet in rural Va.

BY JEFF E. SCHAPIRO

Times-Dispatch Staff Writer

A \$21.5 million handout from Washington will pay for expanded broadband Internet service across a southern swath of rural Virginia.

The White House is issuing grants under the economic-stimulus program to finance improved service in Southside as well as portions of Southwest Virginia and the Blue Ridge Mountains.

BREAKING NEWS

2/8/10 1:34 PM
TimesDispatch.com

The awards were announced yesterday by Aneesh Chopra, President Barack Obama's technology chief and a former Virginia secretary of technology; the state's two U.S. senators; and two members of the House of Representatives.

The larger grant — \$16 million to the Mid-Atlantic Broadband Cooperative — will connect 121 public schools in 12 counties and the cities of Danville, Emporia and Martinsville to an existing, 800-mile, high-speed fiber-optic network.

An additional \$5.5 million is going to the

See **GRANTS**, Page **B8**



Slow recovery

- Hear Sen. Mark R. Warner and Rep. Tom Perriello talk about the federal stimulus package at TimesDispatch.com. Keyword: Politics

Grants

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Virginia Tech Foundation to underwrite service between Blacksburg and the city of Bedford, linking localities in that corridor with Virginia Tech's main campus and its medical school in Roanoke.

Sens. Jim Webb and Mark R. Warner, both Virginia Democrats, said the grants will help create jobs and erase the disparity in Internet service between rural Virginia and the state's fast-growing suburbs.

The awards have a political dimension. They are being steered to regions where Democratic House incumbents are considered vulnerable in this year's elections because of the economic downturn and voter worries about rising federal spending and debt.

The heftier award is going to the 5th District, where more than six Republicans are vying to take on Rep. Tom Perriello, a Democrat who won the nation's closest House race in 2008, edging GOP incumbent Virgil H. Goode Jr.

The remaining dollars could provide a boost for Rep. Rick Boucher, D-9th. Republicans have yet to find a challenger for Boucher, whose support for President Barack Obama on cap-and-trade legislation inflamed voters in coal-rich Southwest Virginia.

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School-funding change opposed

Central Va., Hampton Roads officials assail proposal that would cost their areas millions

BY MICHAEL MARTZ
AND OLYMPIA MEOLA
Times-Dispatch Staff Writers

A regional war is erupting over education funding, with local leaders in Richmond and legislators from Hampton Roads decrying a state proposal that would help Northern Virginia at their expense.

The Richmond Regional Planning District Commission and Hampton Roads legislative caucus agreed separately yesterday to oppose the proposal by Gov. Bob McDonnell to allow an immediate change in the formula for distributing state aid to local school divisions.

BREAKING NEWS

2/17/10 3:44 PM
TimesDispatch.com

The Planning Commission adopted a resolution asking the state to maintain a proposed freeze on their formula change that would cost eight of the Richmond region's localities almost \$17.5 million in state school aid next year. The additional cuts would come on top of more than \$83 million in cuts already pro-

posed for local school divisions in the two-year state budget.

The regional commission urged the state to maintain the freeze until it can study the potential inequity of the formula and come up with a plan to fully fund education at the local level.

"The heart of the issue is not the funding formula, it's the funding, period," said Daniel A. Gecker, chairman of the Chesterfield County Board of Supervisors, which is looking at a loss of \$3.5 million from the change.

The regional push is led by Richmond, which stands to lose \$11 million in addition to \$13.7 million in state cuts to education al-

ready proposed in the biennial budget. Mayor Dwight C. Jones issued a public statement yesterday that called the combined cuts the equivalent of a 12.5-cent increase in the city's real estate tax rate.

"That is something we cannot do to our residents," Jones said.

Former Gov. Timothy M. Kaine had proposed a one-year freeze on the formula change, but McDonnell said last week that he would torch the freeze to help a number of big Northern Virginia localities that would gain an additional \$128 million next year by

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Funding

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going ahead with the change.

McDonnell spokesman Tucker Martin said yesterday that the formula has been used for 40 years as "an impartial and objective means" to divide state education dollars. "The governor believes it should not be disrupted or changed for temporary or political reasons," he said.

To the Richmond region, the change comes at the worst time possible for local school divisions.

School superintendents from Richmond and the counties of Chesterfield and Hanover appeared late yesterday before a sparsely attended meeting of the central Virginia legislative caucus to plead their case.

"The circumstances that we're in aren't so much about whether the formula is fair or not," said Hanover Superintendent Stewart D. Roberson. "Was it fair to change the strategy after many of us have already proposed or adopted budgets?"

Del. John M. O'Bannon III, R-Henrico, one of five local legislators to attend the meeting, suggested that budget cuts are inevitable but the state could provide other forms of relief to local school divisions.

"I promise you that there will be some reductions in mandates and requirements," O'Bannon said.

The Hampton Roads delegation was rougher on the governor's proposal, which would reduce school funding in their region by \$58.4 million next year. Some lawmakers took McDonnell, a former Virginia Beach legislator, to task.

"Who did the governor used to represent?" asked Del. John A. Cosgrove, R-Chesapeake.

"Apparently Fairfax County," replied Del. Salvatore R. Iaquinto, R-Virginia Beach.

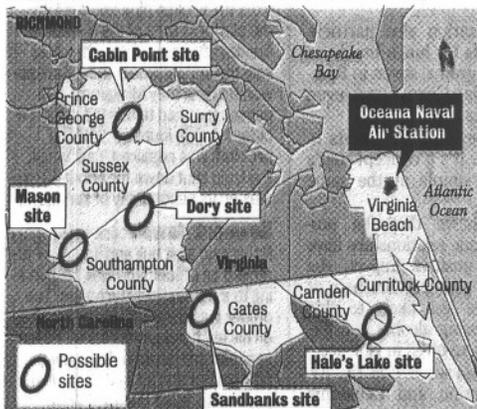
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• Warren Fiske contributed to this report.

A place to land

The Navy is looking at three sites in southeast Virginia and two in North Carolina for a field that would support training for pilots from Oceana Naval Air Station and Norfolk Naval Station.



SOURCES: U.S. Navy, Office of Commonwealth Preparedness

TIMES-DISPATCH

Bill would assist landing-field fight

The legislation would give southeast Va. localities a tool to counter Navy plans

BY LUZ LAZO
Times-Dispatch Staff Writer

Lawmakers are considering legislation that could give residents of southeast Virginia a significant boost in their fight against the proposed construction of a Navy outlying landing field.

RT-D FIRST

A bill sponsored by Del. William K. Barlow, D-Isle of Wight, would give localities more land-use control by repealing existing provisions that require local governments to adopt Navy zoning ordinances.

The bill will be considered Thursday. The proposal would thwart efforts to place such a training facility in the area.

A bill by Sen. Frederick M. Quayle, R-Chesapeake, would have required the General Assembly's approval before the U.S. could acquire property for a landing field in localities that have no current military base at which aircraft squadrons are stationed. The bill was killed in committee last week.

The Navy is looking at three sites in southeast Virginia and two in North Carolina for a field that would support training for pilots from Oceana Naval Air Station and Norfolk Naval Station. The Virginia sites under consideration include land in Southampton, Sussex and Surry counties, with this last one encroaching on Prince George County.

With the Fentress Naval Auxiliary

Landing Field in Chesapeake at capacity, a new field is needed to train aircraft carrier-based pilots. Complaints of noise have grown at Fentress, while training has been affected by lights from residential subdivisions surrounding the field.

The Navy, which has been looking since 2000 for a site suitable as a practice field, is expected to narrow its alternatives this year.

An environmental assessment of the sites is expected to be released this spring. The report was delayed a few months so it would incorporate an analysis of the next generation of aircraft that likely could be based at Oceana.

Once the environmental report is released, the public will have at least 45

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RICHMOND
TIMES

Richmond Times-Dispatch

"There is probably no place in the East Coast where we could go with this idea and have everyone with open arms. But . . . the Navy needs this."

TED BROWN
Navy spokesman in Norfolk

Planes

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days to provide written and/or oral comment in response. The Navy will then review the comments and proceed to pick a site. Then it would request appropriation from Congress.

In choosing a site, the Navy will consider the distance between the site and Oceana Naval Air Station and Norfolk Naval Station and take into consideration the effect on landowners and the environment, said Ted Brown, a spokesman for the Navy's U.S. Fleet Forces Command in Norfolk.

He said the Navy is aware of residents' concerns regarding land use and jet noise during practice landings, which are conducted mostly at night. Minimizing the relocation of residents is a priority, he said.

"It is obvious that there is probably no place in the East Coast where we could go with this idea and have everyone with open arms," Brown said. "But it is important to keep in mind that the Navy needs this."



The four affected counties and nearby Greenville

County and the city of Franklin have passed resolutions opposing the construction of a landing field at any of the three Virginia sites or at one in their locality.

The localities' stands make the landing-field proposal a difficult subject for state and congressional officials who have favored retaining Oceana.

Virginia fought hard during the 2005 Base Realignment and Closure Commission proceedings to keep Oceana, the master jet base for the East Coast. As a result, some state officials say, Virginia is obligated to work with the Navy to find a location for the landing field.

Barry Steinberg, a Washington attorney who represents the Virginia localities affected by the proposal, said the jurisdictions are confronted by significant economic interests with the Navy's strong fiscal contributions to the area.

"The Navy has said they will close if they don't get an outlying landing field," he said, a notion that scares legislators. If the Navy picks a Virginia site, Steinberg said he's certain there will be a lawsuit in federal court.

"It is good policy for the commonwealth of Virginia to continue to keep Oceana as the master jet base for the

East Coast," said Barlow, who represents Surry and parts of Southampton.

He suggested the possibility that the Navy pursue using land at Fort Pickett, in Blackstone, farther west of the Navy's proposed sites.

Southeast Virginia residents strongly oppose the Navy plan because a facility has the potential to significantly change their quality of life, with jet noise during the night, Barlow said.

The economic contributions of the landing field do not measure up to the potential economic losses, said Southampton County Administrator Michael W. Johnson.

The landing facility would bring in \$4.2 million in annual revenue to the area and about 62 full-time civilian jobs, Brown said.

The localities would lose 30,000 acres, about the size of Portsmouth, Johnson said. "When you weigh that against the potential benefit," it doesn't add up, he added.

"This is not only an economic issue, this is clearly a noise issue and a quality-of-life issue," Johnson said, noting the legislation would help the localities' positions.

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Powhatan to look at raising tax rate

Lower assessments and
Va. cuts mean projected
\$8.1 million shortfall

BY WESLEY P. HESTER
Times-Dispatch Staff Writer

With an already precarious financial situation compounded by a sharp decrease in assessed property values, Powhatan County leaders are faced with raising the county's tax rate just to get by.

**RT-D
FIRST** The county is projecting a budget shortfall of \$8.1 million in the next fiscal year, with its school system standing to bear the brunt of the pain with a \$5.5 million funding gap, mostly because of proposed state cuts.

Powhatan, which assesses its real estate every two years, saw a nearly 12 percent decline in property assessments for 2010. At the current real estate tax rate of 71 cents per \$100 of assessed value, that's a \$3.1 million revenue loss.

To offset that, county supervisors will consider raising the tax rate at least 9 cents, to a revenue-neutral 80 cents.

"We've just about got to do that, because we've got to pay the same bills we've been paying," said Board of Supervisors Chairman Robert R. Cosby, who noted that most residents wouldn't see an increase in their tax bills because of lower assessments.

In Chesterfield County, the School Board has requested that the supervisors raise the tax rate by 4 cents, still 1 cent shy of the revenue-neutral level. In Richmond,

Tuesday, February 2, 2010 **A5**

Budget meeting

What: Joint budget meeting between Powhatan County supervisors and School Board members

When: 7 p.m. Feb. 10

Where: Village Building,
3910 Old Buckingham
Road

Powhatan

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Mayor Dwight C. Jones said he does not plan to propose an increase.

Officials in Henrico and Hanover counties have not officially discussed a tax-rate adjustment.

Asked if he thought the Powhatan Board of Supervisors would need to go higher than 9 cents, Cosby said he hopes it won't come to that.

"If we don't get cut any worse by the state county-wide — schools included — we're going to weather the storm and do it without [another] tax increase," he said.

But Cosby warned that things could change, and probably not for the better.

"Right now, I don't think any locality knows what the real impact is going to be," he said, noting Gov. Bob McDonnell's desire not to raise taxes at the state level.

"We're all building off of Governor Kaine's proposal, but that's history." Timothy M. Kaine, who left office last month, had suggested a tax increase in his budget.

Even with an 80-cent tax rate, Powhatan's overall deficit still would be \$5 million, representing about 7 percent of the current \$73.3 operating budget.

For schools, the impact is even greater, with the \$3.6 million shortfall being 8 percent of the system's \$44.5 million budget — the result of \$2.3 million less from the state, \$700,000 less from the county, and the remainder in federal cuts and additional expenses.

"We're looking at everything — programs, positions, everything," said School Superintendent Margaret S. Meara. "It's a lot of money, and it's not going to be without pain."

With the governmental gap at \$1.4 million assuming a tax-rate increase, the staff has proposed recommendations that could narrow the shortfall to \$569,000.

"We have already been holding vacancies and will continue to do so," said County Administrator Carolyn Bishop, noting that other expenditures would have to be cut.

Cosby noted that if the county were to try to cover the government and schools shortfall, the board would have to raise the tax rate by 22 cents.

"We're going to try and do it other ways," he said.

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Chesterfield

Departments brace for cuts

Facing a \$27.3 million gap, the county warns most officials to prepare for 6% reductions

BY WESLEY P. HESTER
Times-Dispatch Staff Writer

Bracing for a \$27.3 million revenue shortfall for the upcoming fiscal year, Chesterfield County leaders have asked department heads to prepare for 6 percent cuts. Public safety is the exception, where only a 1 percent reduction is expected.

County budget director Allan Carmody said residents made it clear in a round of public budget meetings last year that funding for police and fire and rescue should be

preserved above all others.

"But when you minimize the reductions on public safety, you're going to see proportionally larger reductions in other areas," he said.

The bulk of the \$27.3 million gap — the result of declines in property tax, sales tax revenue and reductions in state funding — is a \$13.2 million suggested reduction in school-system funding.

RT-D FIRST That difference was assumed in School Superintendent Marcus J. Newsome's proposed \$546.6 million budget, though he has asked the county to more than make up for it in returned savings, tax contributions and a tax rate increase.

The county provides about 43 percent of the schools' total budget.

See **CUTS**, Page **B5**

Budget calendar

Upcoming Chesterfield County budget dates:

Tuesday: School Board public hearing

Feb. 10: County revenue work session

Feb. 15: School Board work session

Feb. 23: School Board to vote on budget

Feb. 24: Board of Supervisors to set advertised real estate tax rate

March 8: County administrator's proposed budget is presented

March 24: County budget public hearings

April 14: Board of Supervisors to adopt budget

April 27: School Board to approve budget

Cuts

From Page **B1**

County leaders have asked department heads to find their own cuts, which will be reviewed and fine-tuned before the county administrator's budget is presented March 8.

"There are many options being discussed and many proposals on the table," Carmody said, noting that nothing is final.

Greg Velzy, a 12-year outdoor programmer with the county's parks and recreation department, said he had been informed that all outdoor programming for the county could be cut. That could mean his job and three other full-time positions would be cut along with the county's well-respected white-water-education program.

"I've been told that unless there's a major shift, that's what to expect," he said. "It's surprising, because outdoor programs are some of the least costly. There's a waiting list to get into our programs because they're so popular."

Velzy said senior programming was also on the line.

Some of the proposed reductions by department include:

- Public safety: \$1.8 million
- Parks and recreation: \$1.6 million
- Libraries: \$1.5 million
- Mental health: \$871,600
- Administration and finance: \$623,100
- Constitutional officers: \$533,700

One revenue-enhancement measure the budget is likely to include is the institution of a fee for county recycling programs, as recommended by the Citizen Recycling Advisory Committee.

Board of Supervisors Chairman Daniel A. Gecker said the outlook will likely get worse before it gets better.

"The state is still wrestling with their budget issues," he said. "We expect that more of their shortfall will be shifted to us through further reductions in funding to localities."

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Hanover budget would reduce staff

No layoffs are planned; hours would be cut at libraries, trash centers

BY KATHERINE CALOS
Times-Dispatch Staff Writer

Hanover County would reduce staff by 6 percent, add 2½ hours to the workweek of 377 employees and cut hours at libraries and trash drop-off centers to match revenues in the proposed budget for the next fiscal year.

Staff decreases don't include layoffs or furloughs. The county would eliminate 21 positions, leave 30 po-

sitions unfunded and freeze 20 positions until the revenue picture is clearer.

The proposed operating budget requires 5.3 percent in cuts from the current year's operating budget.

Yesterday, County Administrator Cecil R. "Rhu" Harris Jr. presented the fiscal 2011 budget to the Board of Supervisors. The proposed budget of \$388.8 million is \$13 million less than the current budget; the operating budget of \$346.9 million is down \$19.4 million.

While the current budget was "about maintaining our quality of life and service levels in an economic downturn," Harris said, "our simpler goal this year is to preserve key services and realign staff resources."

Revenue decreases include \$3.6 million less from real property taxes, \$503,000 less from personal-property taxes, \$807,000 less from sales taxes and \$2.1 million less from state and federal revenue. The county expects a \$337,000 increase in fees for fire and emergency medical services, parks and recreation programs, cannery use and public-works services.

The county also may have to make more cuts after the General Assembly completes its budget process, Harris said.

By increasing the workweek from 37.5 hours to 40 hours for 377 employees, primarily in administra-

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Hanover budget proposal

Jobs: 21 positions would be eliminated; 30 positions unfunded; 20 positions frozen.

Furloughs or layoffs? None.

Workweek: 377 employees' hours would increase from 37.5 to 40 hours; workday would be 8:30 a.m. to 5 p.m.

Sheriff's Office: Would lose seven positions.

Fire/EMS: Would lose five positions.

Solid waste: Convenience centers would close Wednesdays and holidays.

Library: Reduced hours equivalent to one day a week.

SOURCE: Hanover County

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tive-assistant and social-services positions, the county would gain the equivalent of 25 positions. The standard workday would expand to 8:30 a.m. to 5 p.m. countywide.

Under the proposed budget, schools would increase the pupil-teacher ratio to an average of 21.5 students, the Sheriff's Office would lose seven positions and fire/EMS would lose five positions.

Reductions in services would include closing county solid-waste convenience centers on Wednesdays and holidays and reducing library hours equivalent to one day a week.

Not only is the county receiving less revenue, it's also seeing higher demand for services, Harris said.

Social services had a 24 percent increase in benefit and fuel applications in the first six months of the current fiscal year, compared with the previous year.

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SMART CUTS

The number in past years would have been stunning — \$11 million. That's the gap between what Roanoke's leaders anticipated spending this year and what they actually will have to fund city services.

The figure would be staggering, save the hands-on, day-to-day competent management taking place inside the Noel C. Taylor Municipal Building. Staff took that deficit and whacked away at things big and small, and somehow have managed to turn it around to an \$885,000 surplus, at least for now.

The really remarkable aspect, though, is this: With the exception of scaling back on brush collection, most Roanokers probably won't even notice.

— *The Roanoke Times*