

AT A BUDGET MEETING OF THE ROCKBRIDGE COUNTY BOARD OF SUPERVISORS
HELD IN THE ROCKBRIDGE COUNTY ADMINISTRATIVE OFFICE BUILDING
AT 150 SOUTH MAIN STREET, LEXINGTON, VIRGINIA
ON WEDNESDAY, FEBRUARY 20, 2019 AT 5:30 P.M.

BOARD MEMBERS PRESENT: A.J. "JAY" LEWIS, II.
DANIEL E. LYONS
JOHN M. HIGGINS
R. W. DAY

ABSENT: DAVID W. HINTY, JR.

COUNTY ADMINISTRATOR
AND CLERK TO THE BOARD: SPENCER H. SUTER

FISCAL SERVICES
DIRECTOR: STEVEN J. BOLSTER

CALLED TO ORDER:

Chairman Lewis called the meeting to order at 5:30 p.m.

Scheduled Budget Meeting #2:

County Administrator Spencer Suter presented the following opening statement: "Tonight is our first presentation of the draft FY 2020 budget. As is always the case, the budget document Steve will be going over is the result of a great deal of work over the past several months, by internal departments, constitutional officers, external agencies and the Finance Committee. Steve and I followed our now standard practice of meeting with internal department heads and constitutional officers, adjusting budgets where we could base on history and demonstrated need.

We then took the budget to the Finance Committee which further adjusted to help close the gap, resulting in the document Steve will present in a bit as he goes over the schedule followed by an overview of

revenues and budget requests. As you'll hear from Steve, there are a few revenue upticks, with one large jump in particular involving Personal Property which Steve will go over in the presentation. Unless the Board prefers otherwise, we plan to follow the standard process of going through individual budgets on the screen and you can follow along and make any notations you may have on your hard copy. Please feel free to stop us and ask questions at any point along the way. We will do our best to answer. If we can't, we'll make a note and get back with you promptly. Before Steve begins, I'll call attention to some key points:

- 1) The current gap between projected revenues and expenditures is \$889,103.
- 2) Requests in two budgets: 1) Fire/Rescue - up \$493,738 and 2) Rockbridge Regional Jail - up \$483,663 - totaling an increase of \$977,401 over last year. With regard to Fire and Rescue, the Finance Committee has reviewed the requests from both the Firefighter Association and Rockbridge Emergency Rescue Group, and made some reductions to bring the overall number down about \$46,000.
- 3) As has been the case for several years, you'll note that with exception of Fire and Rescue, most County Departments remain generally flat.
- 4) Most of the major projected budget increases are from areas outside the Board of Supervisor budgets.
- 5) There are two areas of committed debt service increase. These are:
 - a. Combined courthouse refinancing - up \$124,463
 - b. Schools - up \$109,242

There are still some unknowns at this point.

- The Jail Commission is still considering the final jail budget, which could change.
- With regard to schools, last year we started putting a soft number into the initial budget presentation and we are again appreciative that, at our committee meeting this week, Dr. Thompson provided us with a number to plug in. Currently, the schools are looking at a significant increase in health insurance costs. There are three budget scenarios at the state right now. Currently it appears that the worst-case scenario would be request for an additional \$78,490 in the budget so that is what we have plugged in.
- With regard to solid waste costs, the BRRRA may still adjust tipping fees.
- Finally, while we advocate for them, it is traditional to not include raises in individual budget lines until approved in concept by the Board. A raise for County staff is just under \$30,000 per 1%. For example, a 2% raise would add approximately \$60,000 to the overall budget and a 3% increase would be around \$90,000.

Given that overview, I'll now pass it on to Steve to get started, unless there are initial questions."

Fiscal Services Director Steven Bolster introduced the FY 2020 Priorities stating that it assists in decision making during the budget process. He then reviewed the FY 2020 Budget Schedule noting that the next meeting would be during the Board's regular meeting on March 11th at 5:30 p.m. Mr. Bolster then proceeded to provide a concise overview of each department request provided in the draft FY 2020 budget.

Review of Account Number 11010 - Board of Supervisors:

Mr. Bolster indicated the budget increase of \$16,790 was related to accounting for the Board's vehicle allowance which began in FY 2019. In addition, an increase of \$3,870 was included as part of the longevity award recognition program under consideration at the Board's next regularly scheduled meeting.

Review of Account Number 11020 - County Administrator:

Mr. Bolster stated the \$1,959 increase involved the purchase of a new laptop as part of the County's practice to replace electronic data processing equipment every five years.

Review of Account Number 11025 - County Attorney:

Mr. Bolster explained that the Finance Committee level funded the professional services line noting they are committed to sourcing this service if the need arises in FY 2020. He indicated the overall budget is no change.

Review of Account Number 11030 - Supervisor of Accounts:

Mr. Bolster stated the \$1,076 increase involved the purchase of a new computer as part of the County's practice to replace electronic data processing equipment every five years.

Review of Account Number 11040 - IT Department:

Mr. Bolster indicated that the budget was up \$9,971 to fund the one-time purchase of a replacement network switch and increases to the equipment rental maintenance and licensing fees.

Review of Account Number 11050 - Human Resources:

Mr. Bolster informed the Board that the budget was down \$4,163 as a result of right-sizing the funding request.

Review of Account Number 11070 - Reassessment:

Mr. Bolster advised of no change.

Review of Account Number 11080 - Land Use Taxation:

Mr. Bolster advised of no change.

Review of Account Number 11090 - Commissioner of the Revenues:

Mr. Bolster explained the increase of \$4,210 is related to the General Assembly passing an anticipated 2% COLA for Constitutional Officers in FY 2020. He added that the projected COLA includes funding for all staff positions, to include those funded by the Compensation Board and County.

Review of Account Number 12130 - Treasurer:

Mr. Bolster indicated the increase of \$2,808 is related to the General Assembly passing an anticipated 2% COLA for Constitutional Officers in FY 2020. He added that the projected COLA includes funding for all staff positions, to include those funded by the Compensation Board and County.

Review of Account Number 12190 - Director of Fiscal Services:

Mr. Bolster communicated that the Finance Committee agreed to fund the request for a Procurement Technician in FY 2020 which contributes to \$34,159 increase over 2019.

Review of Account Number 13010 - Registrar:

Mr. Bolster stated the increase of \$24,605 involved an across-the-department increase to budget lines in preparation for funding three elections during FY 2020.

Review of Account Number 21010 - Clerk of Circuit Court:

Mr. Bolster indicated the budget increase of \$54,325 was related to the Compensation Board's approval to fund an additional clerk in the office during FY 2019, a non-budgeted action. He informed the Board that there is a level of Compensation Board reimbursement that supports this new position.

Review of Account Number 21020 - Circuit Court:

Mr. Bolster shared a budget increase of \$6,546 to include a request by Judge Filson for compensation increase of \$6,000 to her part-time law clerk.

Supervisor Higgins noted that Judge Filson's original request for this part-time position was \$30,000 to \$40,000 and it was cut down to \$20,000 in FY 2019.

Review of Account Number 21030 - General District Court:

Mr. Bolster advised of no change.

Review of Account Number 21035 - Juvenile and Domestic Relations Court:

Mr. Bolster advised of no change.

Review of Account Number 21040 - Combined Court Security:

Mr. Bolster shared that there was an increase of \$9,100 as result of a request by Sheriff Blalock to apply compensation compression increases and a 2% COLA to these County and Lexington City funded positions.

Review of Account Number 22010 - Commonwealth's Attorney:

Mr. Bolster shared that there was an increase of \$91,342 as result of a new lawyer being brought on in FY 2019 that was not budgeted for. This position was approved by the Compensation Board. In addition, a 2% COLA was included to the increased figure.

Chairman Lewis asked if this excluded the Compensation Board's monies.

Mr. Suter replied that there is an offset of revenues associated.

Review of Account Number 22020 - Victim Witness Coordinator:

Mr. Bolster advised of no change.

Review of Account Number 31020 - Sheriff:

Mr. Bolster shared that there was an increase of \$27,822 to apply a 2% COLA and compensation compression increases to positions that are funding by the County.

Supervisor Day asked if those positions were different than the Courthouse Security positions.

Mr. Suter advised that the Commonwealth gave L7 and L8 positions a compression increase starting February 1, 2019 and the request is for the other positions to be applied July 1, 2019. It was noted that one personnel at the Courthouse Security position was transferred from a higher-paying position and therefore the budgets did not match. It was also noted that one of the proposed replacement vehicles was not being purchased this year and next year reducing the number of replacement vehicles from 5 to 4.

Review of Account Numbers 31021 and 31022 - DBHDS Assessment Site Grant and CIT Training Grant:

Mr. Bolster shared that these two accounts were funded by a reimbursement grant managed by the Rockbridge Area Community Services Board (CSB) and that there were no significant changes. He did note that the grants were dollar for dollar reimbursements suggesting that anticipated revenues linked up directly to the planned expenditures.

Review of Account Numbers 32020 - Fire and Rescue Services:

Mr. Bolster shared that there was an increase of \$493,738 and asked Mr. Suter if he wanted to provide a summary of changes.

Mr. Suter stated that the biggest fire-rescue need is in the Kerrs Creek and Effinger areas in regards to call responses. He shared that Chief Ramsey came up with a plan to keep a unit in Fairfield, Glasgow, and add one in Kerrs Creek that would operate 12 hours-a-day 7 days-a-week in the daytime (6 a.m. to 6 p.m.). Mr. Suter advised that requests are brought forth from the Firefighter Association on behalf of the fire agencies, the Rockbridge Emergency Rescue Group (RERG) on behalf of the rescue agencies, and recommendations from the regional Fire Commission on how to use the EMS revenue recovery monies. He noted that those monies were assigned to assist in career or volunteer staffing needs. Mr. Suter added that the prior recommendation from the commission was to utilize a pay-per-call incentive and/or shift reimbursement, or combination of both. Two costs were considered during the regularly scheduled December 2018 Board meeting and the Board provided guidance to use the higher of the two costs (\$175,000) into the draft FY 2020 budget.

Supervisor Higgins asked for an explanation of the roles and responsibilities of each of the three organizations: Firefighter Association, RERG, and regional Fire Commission. He suggested that meetings of each of these organizations could be sharing repetitive information and may be unnecessary.

Mr. Suter advised that all three were listed in County Code. He then added that, should the agencies utilize the pay-per-call method, and administrative position could be useful for office work.

Supervisor Day asked if some of the office work could be handled by paid staff at the fire and rescue departments.

Mr. Suter agreed that that would be a good idea. He then commended current staff at fire/rescue departments stating that they continue to use their time wisely, cleaning and working around their respective facilities.

Review of Account Number 32060 - Consolidated Dispatch:

Mr. Bolster shared that there was an increase of \$18,042 and noted that an increase in health insurance for staff was a main contributor.

Review of Account Number 33010 - Correction and Detention:

Mr. Bolster shared that there was an increase of \$483,663 for the County's cost-share of the Rockbridge Regional Jail. He added that the Jail Commission has not formally approved the proposed FY 2020 budget and changes are still a consideration moving ahead.

Review of Account Number 33030 - Juvenile Probation Office:

Mr. Bolster shared that there was an increase of \$1,000 for a one-time purchase of a file cabinet.

Review of Account Number 33040- Other Institutional Care:

Mr. Bolster shared that there was a decrease of \$11,765 based on the funding formula used for this regional program.

Review of Account Number 34010 - Building Inspections:

Mr. Bolster shared that there was a decrease of \$263.

Review of Account Number 34015 - ES-SWM Control:

Mr. Bolster shared that there was a decrease of \$451.

Review of Account Number 35070 - Special Enforcement:

Mr. Bolster shared that there was an increase of \$2,774 that included a 2% COLA and compression increase requested for this County-funded program.

Review of Account Number 35090 - Other Protective Services:

Mr. Bolster shared that there was an increase of \$625. It was noted that the County was currently under negotiations and potential approval of a new SPCA Agreement. Therefore, they had not yet received the SPCA's official budget request. Staff would provide the update once the information is submitted for consideration.

Review of Account Number 41080 - Road Maintenance:

Mr. Bolster shared there were no changes.

Review of Account Number 42030 - Refuse/Recycling Collection:

Mr. Bolster shared that there was an increase of \$29,723 that included staffing the new Fancy Hill Collection Center. It was noted that this budget could change should the Blue Ridge Resource Authority the current tipping fee levels.

Supervisor Lyons asked if there was anything projected on opening the collection centers 7 days-a-week.

Mr. Bolster replied that there is an unfunded request of \$43,592 to open centers on Tuesday as part of the budget submission for FY 2020.

Review of Account Number 43020 - Buildings and Grounds:

Mr. Bolster shared that there was a decrease of \$7,390 as a result of right-sizing the funding request.

Review of Account Number 43050 - Combined Courthouse:

Mr. Bolster shared that there was a decrease of \$2,258 as a result of right-sizing the funding request.

Review of Account Number 43060 - Rockbridge Middle School Property:

Mr. Bolster shared that there was an increase of \$171.

Review of Account Number 43080 - Joint Fire/EMS/EM/911 Center:

Mr. Bolster advised that this item was moved into Chief Ramsey's budget in FY 2019.

Review of Account Number 44010 - Fleet Services:

Mr. Bolster shared that there was an increase of \$46,118 after tracking the past few year's repairs and fuel costs.

Mr. Suter noted that there are revenues associated with the funding increase and advised that service revenues have grown this year by \$161,000 primarily due to serving more customers for vehicle maintenance and repairs.

Review of Account Number 51010 - Health:

Mr. Bolster shared that there was an increase of \$39,231 which includes a higher health department request (+\$19,231) and a Rockbridge Area Health Center ask for their facility capital campaign (+\$20,000).

Supervisor Higgins shared that Supervisor Hinty asked him to suggest increasing the Rockbridge Area Transportation Services (RATS) contribution by \$4,000 for vehicle-related costs. Supervisor Higgins indicated that Supervisor Hinty received a request recently from RATS. He then suggested that in approving this request so late in the budget could result in other departments asking to make changes to their budgets.

Supervisor Lyons indicated that RATS had the opportunity to present its budget request at a prior meeting like all other agencies. He stated that RATS could do more homework next year before bringing its request to the Board.

Chairman Lewis asked if this was an official request of an additional \$4,000 or if it was just suggested.

Supervisor Higgins replied, it was just a request.

Chairman Lewis stated that there was no consensus to make that change at this time.

Supervisor Higgins followed up in adding that there was no consensus to open Pandora's Box, however, they could officially ask for additional funding if they wish to.

It was noted that the request from the Rockbridge Area Health Center was for \$100,000 and that it could be divided over a 5-year period resulting in a request of \$20,000 each year.

Supervisor Lyons suggested a one-year commitment verses five year as to not commit future board members.

Supervisor Higgins stated that he would not be running for office next year and only felt comfortable making a commitment for this year and not for other members in the future.

Review of Account Number 51020 - Mental Health:

Mr. Bolster shared that was an increase of \$14,457 as a result of a higher funding request from the CSB.

Review of Account Number 53010 - Welfare:

Mr. Bolster shared that there was an increase of \$123,140 which included both the Department of Social Services (DSS), up \$23,890, and the Comprehensive Services Act (CSA), increase of \$98,560.

Mr. Suter explained that two new positions and one vehicle were behind this increase. He shared that the Finance Committee met the week prior to discuss whether or not it was affordable for the County. Mr. Suter advised that one of the two positions was for the DSS and the other CSA and the replacement vehicle was also for DSS. He shared that following the request, he met with DSS Business Manager Dinah Clark who explained that the Commonwealth pays for 85% of operational costs and that the two positions would be considered operational costs. He noted that the State will not approve or deny these positions until May leaving a gap between now and then. He suggested that, whether or not the Board approves the additional funding request for the County's share of the positions, the positions not be filled until after the State has made its decision.

Supervisor Higgins shared his similar thought, that the County could approve its share of the positions if the State approves.

Mr. Suter then explained the reasoning behind a replacement vehicle. He stated that the DSS vehicles have fairly low mileage but have some maintenance issues. He then shared that he had spoken with the County's Fleet Services Department to see if they would be willing to take on more work by up-keeping those vehicles for the DSS. He shared his opinion that the regular maintenance should extend the life of those vehicles under consideration for replacement.

Supervisor Day asked how the DSS vehicles are purchased.

Mr. Suter replied, by State contract. He added that the plan would be to replace one vehicle this year and one next year.

Supervisor Day asked if the vehicles fall under the County's CIP.

Mr. Suter replied, no.

Review of Account Number 64010 - Education Other than Public Schools:

Mr. Bolster shared that there were no changes.

Review of Account Number 65300 - Education- Community Services:

Mr. Bolster shared that there was a decrease of \$6,000 as this was going to be budgeted for by the School Division.

Supervisor Higgins asked if the County was supposed to cover CTE exam costs in the budget so students and their parents did have to. He shared that a student advised him of paying for their own.

Mr. Bolster stated, if he recalled correctly, dual enrollment was based on income and CTE exams were covered.

Supervisor Lyons advised that there weren't any exams for dual enrollment and the student most likely was referring to AP exams.

Review of Account Number 71005 - Recreation and Culture:

Mr. Bolster shared that there was an increase of \$19,834. He noted that the Lime Kiln grant used to be 50/50 local match of \$5,000 and was reduced to \$4,500 in FY 2018. Mr. Bolster then advised that the YMCA requested \$10,000 and the Finance Committee recommended level funding at \$7,500. He also advised that Boxerwood requested \$10,000 for capital maintenance and that the Finance Committee recommended \$2,500.

Mr. Suter shared that Boxerwood subsequently submitted a revised request to focus the funding request towards operational/program support.

Supervisor Higgins advised that Boxerwood asked for \$10,000 for capital costs and changed it to operational costs.

Review of Account Number 71010 - Parks and Recreation:

Mr. Bolster stated this budget was down \$3,168 as a result of right-sizing the funding request.

Review of Account Number 71015 - Preschool Program:

Mr. Bolster indicated this budget was down \$795 as a result of right-sizing the funding request.

Review of Account Number 73020 - Libraries:

Mr. Bolster communicated that the Rockbridge Regional Library request (+\$39,338) included both a 3% COLA and internal personnel promotions, along with increases to health insurance, utilities, maintenance, and transportation costs. The Talking Books ask increased by only \$296.

Review of Account Number 81010 - Planning and Development:

Mr. Bolster stated that the increase of \$3,512 was linked to a future request to increase the Planning Commission Board's per-meeting payment (+1,200) and the replacement of office/IT equipment (+\$2,800).

Review of Account Number 81015 - Geographic Information System:

Mr. Bolster indicated that the budget was down \$3,651 as a result of right-sizing the funding request.

Review of Account Number 81080 - Rental Assistance:

Mr. Bolster informed the Board that the overall budget was down \$22,810 as result of personnel changes.

Review of Account Number 81090 - Economic Development:

Mr. Bolster explained that the \$112,686 increase involved a request to pay the Economic Development Authority Board a higher per meeting payment (+1,680), increased cost-share for the Maury Express transportation program (+\$6,427), accounting for the full pass through of applicable lodging receipts to the Virginia Horse Center debt-service accounts (\$221,356), and funding the Southeast Rural Community Assistance Project, Inc. at their full request (+\$3,000).

Review of Account Number 82010 - PSA:

Mr. Bolster indicated that there was minimal change, up \$81.

Review of Account Number 82020 - Other Public Utilities:

Mr. Bolster communicated that there were no changes.

Review of Account Number 83010 - NBSWCD Support:

Mr. Bolster stated the \$4,559 increase is related to the FY 2019 compensation increases communicated to County staff after the budget was adopted; the NBSWCD adopted a 3% COLA in FY 2019 - notified in June 2018.

Review of Account Number 83020 - Agriculture & Home Economics:

Mr. Bolster indicated that there was minimal change, up \$517.

Review of Account Number 91010 - Non-Departmental:

Mr. Bolster shared that there was a decrease of \$33,590 based on the adjustment of the annual annexation payment for FY 2020.

Review of Account Number 91020 - Fringe Benefits:

Mr. Bolster shared that there were no changes.

Review of Account Number 91040 - Debt Services:

Mr. Bolster shared that there was an increase of \$124,462 and included principal payments for the 2016 Courthouse refinancing loan where

they were paying principal only during the first two years of the debt schedule.

Review of Account Number 91050 - Contribution-Debt Service-Others:

Mr. Bolster shared that there was no change.

Review of Account Number 92010 - Refunds:

Mr. Bolster shared that there was an increase of \$375.

Review of Account Number 99010 - Transfer and Reserves:

Mr. Bolster shared that there was an overall increase of \$61,027 specifically related to higher level of transfers for school debt, school operations, and the Capital Purchases Fund.

Review of Fund 372 - Construction Project Fund:

Mr. Bolster shared that there were two projects provisionally approved in January 2019 and that the fund balance in 372 will source the proposed CIP plans. The first project was for pavement work at the 911 Center and the other for the new collection center in the Forge Road area.

Supervisor Higgins asked for additional information on the \$20,000 for paving at the 911 Center.

Mr. Suter explained that the monies would be used for patchwork, fixing the cracks before they get worse, and surface treatment.

Supervisor Higgins asked if the County would be the sole funder for the project.

Mr. Suter replied, no, that costs would need to be shared with the 911 Center.

Review of Fund 376 - Capital Purchases Fund:

Mr. Bolster reviewed the Capital Purchases Fund projects which were provisionally adopted at the Board's January 14, 2019 meeting.

Final Discussions:

Mr. Bolster asked for the Board's direction to staff at this time in regards to potential compensation increases for County employees.

Supervisor Higgins recommended adding a 3% COLA for County staff.

Supervisor Lyons agreed.

Chairman Lewis asked why a 3% instead of 2%.

Supervisor Lyons replied that other governmental entities in the area are looking at similar raises.

Supervisor Higgins shared his appreciation of staff noting that other, external agencies are driving our budget levels up and the Board should consider County personnel first in regard to staff raises and the impact on the budget.

Mr. Bolster then reviewed that a 3% COLA would increase the budget gap \$87,228 and a 4-cent increase on real estate taxes would be needed to bridge the total difference between planned expenditures and anticipated revenues.

Supervisor Higgins stated that he was part of the fire/rescue staffing project that began 8 years ago and he remains steady in his opinion that there is a need for paid staff in order to ensure citizens are given the help they need. He shared his understanding of the costs associated, but stated he felt it was necessary.

Supervisor Lyons added that it could increase EMS revenue recovery receipts.

Adjourn:

Supervisor Higgins moved to adjourn. Supervisor Lyons provided the second, and the meeting was adjourned by unanimous vote by the board members presented, Supervisor Hinty being absent.