

AT A SCHEDULED BUDGET MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE  
COUNTY VIRGINIA, HELD IN THE COUNTY ADMINISTRATION BUILDING AT 150 SOUTH  
MAIN STREET LEXINGTON, VIRGINIA  
ON THURSDAY, FEBRUARY 27, 2020 AT 5:30 P.M.

BOARD MEMBERS PRESENT: D.E. LYONS  
R.W. DAY  
L.E. AYERS  
A.J. LEWIS, II.  
D.B. MCDANIEL

COUNTY ADMINISTRATOR: SPENCER H. SUTER

COUNTY ATTORNEY: VICKIE L. HUFFMAN

FISCAL SERVICES  
DIRECTOR: STEVEN J. BOLSTER

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CALLED TO ORDER:

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

**Opening Comments from County Administrator Spencer Suter:**

"Tonight is our first presentation of the draft FY 2021 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 process of meeting with internal department heads and constitutional officers, adjusting budgets where we could, based on history and demonstrated need.

We then took the budget to the Finance Committee which further adjusted to help close the gap, which was, and remains significant. In fact, this is by far the most challenging budget in the seven that I have worked on since 2012.

We started at over \$3.1M between anticipated revenue and requested expenditures. We are now at \$1,431,572. One item of significant note is the downward adjustment in the Jail budget, which we presented to the Board on Monday.

Other key points to note are:

- We are still working on health insurance which is a frustratingly - moving target. Our goal is to have a presentation prepared for the Board's March 9th meeting. Per earlier discussions, there will be options to consider involving employees paying a small share of the employee-only cost.

Last week, in an effort to close the gap, the Finance Committee reviewed the budget with staff and asked that we go back through all budgets and remove anything discretionary - in effect removing the wants and keeping the needs. For the purposes of this exercise, we looked at the following as needs:

- Increases in VRS, which went up by 3 points
- Projected increases in health insurance. For the County, we are still projecting 12%. For the schools the increase is 5%
- Water/sewer increases based on an 11.45% increase by the MSA, passed through the PSA to us
- Increased landfill tipping fees

We completed that process and reviewed again with the Finance Committee last night. As you know, the role of the Finance Committee in the budget process is to take the first Board-level look at the budget. For transparency for both the Board and the public, the evolution of the

budget formation process is tracked. In your document, for each budget line, you can see:

- 1) the current FY year appropriation
- 2) Staff's initial recommendation to the Finance Committee, after review with department and agency heads.
- 3) the Finance Committee's recommendation to the Board

There are a few items that the Finance Committee flagged last night for additional discussion at the full-board level. We will discuss these as we go through the budget with you. One of these items is raises. We received requests from various outside agencies for raises. By outside agencies, I mean departments or agencies not directly under the Board of Supervisor's purview, such as constitutional officers, school board, etc. The Finance Committee wished to have a discussion with the Board about raises, after reviewing the overall budget with the Board.

At this point, I'll call attention to some key points:

- 1) Again, the current gap is \$1,431,572. This does not include some of the items that the Finance Committee leans toward such as raises, but wanted to discuss with the full Board.
- 2) You'll see that in most budgets, the main areas of increase are in VRS and health insurance.
- 3) In addition to a currently projected increase of \$658,561 in the County's portion of the Jail budget, the other main increase is in the school request, which is broken into two categories - mandated increase and additional request. We will share the info when we get to the school request.

4) The only area where we might see a new debt service is in funding for two school HVAC projects as discussed at your meeting on Monday. However, the Finance Committee is considering a recommendation for part or all of the cost to come from reserves.

5) The 911 Center budget is not yet finalized. They had a Board meeting earlier today and asked for some additional information and budget reduction in some areas.

From this point, Steve will walk you through the document, starting with the budget schedule, then moving to revenues - which are generally flat - and then on to expenditures. Steve will work off the screen so that anyone present can follow along. We've provided you with hard copies to make notes.

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. Please also understand that the Finance Committee recommendation is just that - a recommendation. Any Board member is welcomed and encouraged to make suggestions in any area, whether it be reduction or increase."

Fiscal Services Director Steven Bolster reviewed the FY 2021 Funding Priorities approved in October 2019, the upcoming budget meeting schedule, and charts tracking the history of revenues from real property and machinery and tools taxes.

Supervisor McDaniel's asked who receives the internet sales tax revenue when a person runs a business in the County but has a city zip code.

Mr. Suter replied, currently the City of Lexington, but as a result of a question from Supervisor McDaniel in late 2019 about how Rockingham County was addressing the issue, he had made inquiries with the Lexington postmaster and was awaiting response.

Supervisor Ayers requested actual numbers from Lexington City of County businesses collecting the internet sales tax.

Mr. Bolster then reviewed changes to the draft budget, changes that provided level funding verses additional funding requests.

Fiscal Services (12190-2005): Mr. Bolster advised that there was an error in last year's budget on his part. He stated that he did not add health insurance to the budget for the new Procurement Officer, which contributes to the \$9,120 increase this year.

Supervisor McDaniel asked why there was an increase to full-time wages.

Mr. Bolster replied, there were negotiated increases in the salaries of the Accounting Clerk and Procurement Officer.

13010-5402 Registrar: Mr. Bolster advised that this was an unfunded mandate for software updates for \$18,500.

Chairman Lyons suggested waiting until next year for the software updates since what they have is good through December.

Supervisor Lewis stated that there may be state funds to help with the software updates, so it would make sense to delay it, if possible.

Supervisor McDaniel asked why there was an increase to line item 1002- compensation for the Registrar.

Mr. Bolster replied, this was apparently negotiated between the Registrar and the Board of Elections. He noted that the salaries listed

are based on February 2020 salaries, so if there were any changes between the start of the fiscal year and February, he was not aware of the change.

Combined Court Security (21040-7005): Mr. Bolster advised that the Sheriff had submitted a retention plan for additional supplements for years of service. He added that the Finance Committee met the evening before and agreed to ask Sheriff Funkhouser to cut the request in half.

Supervisor Lewis agreed, adding that the Finance Committee intends to support the deputies, but at a lower cost than what was being requested because it is going to impact the budget each year after approved.

Supervisor McDaniel requested a salary survey comparing salaries of surrounding localities with Rockbridge County salaries. He also suggested asking the Sheriff if they have applied for grants to fund salaries of all three (3) of the School Resource Officers (SRO) and suggested looking at whether or not to have an SRO at each elementary school in the future, if funded by grants.

Mr. Suter concurred that he would ask the Sheriff.

Mr. Suter then noted that there are no guarantees of continuous grant approvals for these types of positions. When the position is covered by grant funding, once the funding source is not approved in future years, it leaves the County at risk to continue paying for that position.

While reviewing department 31021 DBHDS Assessment Site Grant, Mr. Bolster advised that the amount \$145,489 should be \$146,411.

Fire and Rescue Services (32020): Supervisor McDaniel asked why the County is paying for City of Lexington Fire Department positions previously funded by a SAFER (Staffing for Adequate Fire and Emergency Response) grant.

Mr. Suter replied, the County has a contracted service with the City of Lexington that provides for their fire department to respond emergencies in the County.

Mr. Bolster also replied that Lexington City officials applied for the SAFER grant since these subsequently grant-approved positions helped cover calls into the County.

At approximately 7:03 p.m., Supervisor Lewis left the dais, then returned at 7:04 p.m.

Planning and Development (81010): Mr. Suter advised that the Board had discussed the potential to separate and hire directors for the Planning Department and the Economic Development Department. If done, there would be an additional cost of roughly \$75,000 to fund a new director position. He suggested that Board discuss this topic at a Board Retreat.

Rental Assistance (81080): Mr. Suter advised that the person recently hired for the Rental Assistance Administrator's position ultimately declined the job. He noted that the County is looking into doing what Alleghany County does, and that is to contract with the City of Waynesboro to take care of their program. He added that they are contacting the City of Waynesboro and Nelson County to see if this is a viable option for the County.

Supervisor McDaniel asked if the County offers exit interviews to ask staff who leave why they are leaving.

Mr. Suter replied, not yet.

Mr. Suter reviewed the School's FY 2021 estimated funding projections handout which included total mandated costs and loss of State revenues and

approximate personnel costs increases. The projected total of additional needed funding equaled \$1,498,908.

Mr. Suter advised that the Fire and Rescue budget is still not finalized.

Chairman Lyons noted that, if the State comes through and funds a 1% increase for school raises, then that money could cover 1% of a 2% raise for their staff. He added that similar levels of percentage increases should be considered for County employees.

Mr. Suter advised that current budget numbers result in approximately a 6.25 cent increase in taxes.

Chairman Lyons noted that the County could increase its personal property and real estate taxes to help cover some of the potential budget increase.

Supervisor McDaniel asked if the County has seen any of the proposed savings in cleanup costs from closing collection sites thus far.

Mr. Suter replied, it was supposed to be a savings, it isn't yet.

Supervisor Ayers suggested that the County wouldn't see changes until all sites were closed.

Mr. Suter concurred.

**Adjournment:**

On a motion by Supervisor Lewis, seconded by Supervisor McDaniel, the meeting was adjourned at approximately 8:19 p.m. followed by a roll call vote.

Ayes: Lewis, McDaniel, Day, Ayers, Lyons

Nays: None

Abstain: None  
Absent: None