

AT A SCHEDULED 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 THURSDAY, FEBRUARY 25, 2021 AT 5:30 P.M.

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

COUNTY ADMINISTRATOR: SPENCER H. SUTER

FISCAL SERVICES
DIRECTOR: STEVEN BOLSTER

CALLED TO ORDER:

Chairman Lyons called the meeting to order.

Mr. Suter reviewed the following information:

"Tonight is our first presentation of the draft FY 2022 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. Director of Fiscal Services Steve Bolster and I followed our now- standard practice 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 though not as challenging as last year.

We started with a delta of over \$1.8M between anticipated revenue and requested expenditures. We are now at \$460,432.

Some budget highlights / draft expenditure drivers at this point include:

- \$82K - We have continued to budget for a 9% health insurance increase
- \$71K - A 2% COLA increase for County staff
- \$277K - Fire and Rescue - Main drivers are an increase in contribution to volunteer pay per call carried from last year, as well as continuing the two floater positions which have made such a difference in operations, plus \$68K additional for the Lexington city contract and potential to add workers compensation for volunteers.
- \$146K - Operational increase in jail costs / \$255K potential increase in capital costs for a facility study and full body scanner
- \$133K - Refuse collection - Much of which is an increase in the amount of trash being delivered to the landfill.
- \$260K - Health and Welfare - Most of the increase is attributed to Social Services and CSA
- \$45K - Recreation and Culture - Main increase is in the RARO budget
- \$278K - Economic Development. However, this is offset by some reductions in Community Development and some of which is pass-through on the lodging tax
- \$86K - Revenue sharing with the City of Lexington.

- \$940K -Transfer to the School Division - The original request from the School Division was about a \$1.75M increase. The Finance committee is suggesting an increase in \$940K for discussion purposes. Please bear in mind that a final number for State-supported raises is not yet known.

We reviewed again with the Finance Committee over the past three days. 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 the draft budget document, for each budget line, you can see:

- 1) the current FY year appropriation and past expenditures
- 2) Departmental requests
- 3) the Finance Committee's recommendation to the Board

Certainly, anything is open for discussion. There are a few items that the Finance Committee flagged for additional discussion at the full Board level - mainly involving non-profits. The Board should consider whether to return to FY 2020 levels of funding or stay with the 10% reduction resulting from the FY 2021 budget development process. We will discuss these as we go through the budget with you. Also, you will note that no raises are yet included for constitutional offices. This is because we do not yet have firm information from the General Assembly. If raises are granted there, we would add as both an expenditure and a revenue. There would be some additional cost for County-funded positions as well.

Finally, one change not reflected in the budget is a reduction in the 911 Center budget. The 911 Board met this morning and approved a reduction in this ask, via not funding a newly-requested position. The total reduction is still being calculated, but I expect it to be in the range of \$35,000.

From this point, Mr. Bolster will walk you through the draft budget document, starting with a review of funding priorities and the budget schedule, then moving to revenues - and then on to expenditures. Mr. Bolster 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 your questions. 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 2022 Funding Priorities approved in October 2020 and the FY 2022 Budget Schedule. Mr. Bolster then reviewed departments budgets which showed a 2% COLA for County employees.

During review of non-profit organizations budgets, Supervisor McDaniel shared that he would recommend that non-profits fall under the 2021 level budget whereas Supervisor Lewis recommended they go back to the 2020 level. He noted that last year, non-profit budgets were reduced by 10% as a result of the pandemic. He concluded that the Finance Committee

could not come to an agreement and therefore it was being brought before the full Board for a decision.

Supervisor Ayers shared her preference would be to go back to the 2020 level.

Chairman Lyons recognized the Fair Board for reducing 50% of their funding last year seeing as there would be no fair. He shared that there would definitely be a fair this year in Glasgow. Chairman Lyons stated that it would be unfair not to go back to 2020 funding since they lowered their funding request by half.

Supervisor McDaniel advised that it was taken into consideration and the Finance Committee came to a number they believed would be a fair amount.

Chairman Lyons noted that he did not consider the SPCA a non-profit since they were under contract with the three localities.

Mr. Bolster suggested staff reach out to the neighboring localities to see what they were planning to contribute to non-profits.

Supervisor McDaniel recognized one-time purchases such as software and imaging machines and noted that those items could be purchased using reserves to help close the gap in the budget.

Mr. Bolster explained that the imaging equipment would be purchased using the fund balance since it had been in the CIP for multiple years.

Chairman Lyons stated that, since the fund balance has grown this year, all of the one-time purchases should be taken from the fund balance.

Adjournment:

With there being no further business to discuss, Supervisor McDaniel moved to adjourn the meeting. Supervisor Lewis provided the second, and the motion carried by unanimous vote by the Board.