

AT A SCHEDULED BUDGET WORK SESSION OF THE BOARD OF SUPERVISORS  
OF ROCKBRIDGE COUNTY VIRGINIA, HELD IN THE COUNTY ADMINISTRATION  
BUILDING, 150 SOUTH MAIN STREET LEXINGTON, VIRGINIA ON  
WEDNESDAY, APRIL 9, 2014 AT 5:30 P.M.

PRESENT: CHAIRMAN J.M. HIGGINS  
MEMBERS: D.W. HINTY, JR., R.R. CAMPBELL,  
R.S. FORD, A.W. LEWIS, JR.

COUNTY ADMINISTRATOR  
AND CLERK TO BOARD: SPENCER H. SUTER  
FISCAL SERVICES  
DIRECTOR: STEVEN J. BOLSTER

**Call to Order:**

Chairman Higgins called the meeting to order at 5:30 p.m.  
and led the Pledge of Allegiance.

**Budget Work Session (#3):**

Mr. Suter provided a brief review of the budget process for  
FYE 2015. The establishment of the Board of Supervisor FY 2014-  
15 funding priorities was completed in November 2013. The  
initial budget requests were submitted during the month of  
January 2014. The gap between anticipated revenues and submitted  
budget requests generated a gap of approximately 2.7 million  
dollars.

Mr. Suter continued his briefing by stating that County  
staff and the finance committee began to provide solutions on  
bridging this gap as they worked toward a balanced budget.  
During this time, the Board of Supervisors and the School Board  
met for a joint meeting. In addition, the County finance  
committee and the School Division finance committee met multiple  
times.

In addition, Mr. Suter explained that the Commonwealth's  
failure to adopted a biennial budget provided another fiscal  
challenge. Local governments base part of their planned  
expenditures on the amount of funding received from the state.  
The County pushed out the final stages of their budget meetings  
one week as we waited for the state-level budget impasse to  
reach a solution. The County has now chosen to move ahead in our  
budget process with the most conservative funding figures  
available in light of the budget stalemate at the state level.

Mr. Suter also gave details on the purpose for budget work session #3. The primary focus was to review the FYE 2015 budget position and for the Board to consider the contents of the annual budget and tax rate advertisement. Mr. Suter commented on last year's 5-year budget analysis on anticipated expenditures. The goal of that exercise was to avoid huge, one-time increases, instead spreading potential tax increases out over time. The analysis projected a 4.4 cent increase in the 2014 calendar year and more increases in the future to support projects the Board considered priorities. Mr. Suter described the process over the past year by which staff has followed through with planning and implementation of those Board priorities. Some of the big ticket items include:

EMS Service - \$400,000, with \$100,000 sourced from the EMS Revenue Recovery account.

Solid Waste Authority - Landfill tipping fee increase in support of a new, lined landfill - \$346,000

Radio System upgrade - \$311,000

Further, Mr. Suter noted that each of these aforementioned items is projected to grow in required funding resources in the coming years. He conveyed that these programs and projects would be coupled with the natural inflation factors for such items as fuel, utilities, and insurance, as well as a known school debt service increase of \$412,000, to make FY 2015-16 even tougher to tackle. Mr. Suter expanded his comments by saying that one of the Board's priorities was to develop sound financial planning - which the County is well on its way to implementing. At the Board's March 24th meeting, representatives of Davenport and Company reported that the County is on strong financial footing. He attributed this both to the actions current and previous Boards, and especially to the stewardship of Bob Claytor and Steve Bolster, who realized that a "perfect storm" was brewing and so the County needed to set aside funds to address future needs - which in reality is now. As such, our Financial Advisor has recommended that fiscal years 2015 and 2016 provide occasion to utilize the County's budget stabilization fund.

Mr. Suter wrapped up his opening comments by explaining that the Board has seen the proposed FYE 2015 budget evolve through this year's process and that it was his understanding that members didn't want to go through each department line-by-line. However, Mr. Suter asked Mr. Bolster to go down the proposed FYE 2015 budget advertisement and highlight some of the

more significant budget changes compared with the FYE 2014 budget and then to discuss the proposed tax rates for calendar year 2014.

Mr. Bolster started his presentation by discussing some items related to the current budget process. Those included:

The latest draft, line-item budget for FYE 2015 budget is available for review along with the proposed budget advertisement at the front table.

Each of the updates to the draft, line-item budgets have been available for public review at each of our budget work sessions and they also remain accessible on the County's website under the "Budget / Audit" link found on the site's main page.

Mr. Bolster also explained some of the across-the-board impacts on the proposed FYE 2015 budget. They involved:

The Board is considering a step increase for eligible employees effective July 1, 2014. In addition, the Board is planning for a 1% increase to the County employee pay scale effective December 1, 2014. The cost of living increase in December reflects action the General Assembly is contemplating for state employees as they continue their budget deliberations.

The County's employer contribution to the Virginia Retirement System rose from 13.34% to 14.11%. Health insurance premiums for FYE 2015 will rise by 4.1%, with the annual expenditure per covered employee up by \$333. The County's contribution to the group life insurance plan increased from .48% to .53%. Staff projected a 5% increase in property and liability insurance premiums; final rates are expected in early May.

Those departments with vehicles now have budget lines to account for costs in fuel and vehicle repairs. In previous years, these type costs were reflected only in the County Maintenance Garage.

Mr. Bolster then transitioned to the proposed FYE 2015 advertisement. He highlighted some of the key funding changes in the County's General Fund, the Solid Waste Authority's Landfill and Recycling Funds, along with the Rockbridge County School Division's Operational and Food Service Funds in his discussion.

In addition, Mr. Bolster reviewed the proposed unit tax levies for calendar year 2014.

Supervisor Ford stated this was the second year in a row of challenging budget deliberations with the School Division. He declared future changes to their projections may be expected in the near future.

Supervisor Hinty thanked the finance committee for all their efforts during the budget process.

Chairman Higgins commented that the finance committee had learned a great deal during this season's financial planning development. Part of the planning effort included more discussion and debate on coming up with the right priorities and decisions for the County. He continued by affirming that the finance committee has met monthly since January 2013. Mr. Higgins expressed that staff has been very good at bringing information to the finance committee to assist with evaluating solutions in achieving a balanced budget.

Supervisor Ford made a motion to advertise the proposed FYE 2015 budget as presented. Supervisor Campbell seconded the motion. The motion carried by the following roll call vote:

AYES: Ford, Campbell, Lewis, Hinty, Hinty  
NAYS: None  
ABSTAIN: None  
ABSENT: None

**Adjourn:**

Mr. Bolster announced that the Public Hearing for the proposed FYE 2015 budget is scheduled for Wednesday, April 23, 2014 at 6 p.m., and the Budget Adoption meeting is scheduled for Wednesday, April 30, 2014 at 6 p.m. - both in the Rockbridge County Administration Building's Board Room. With no further business, Supervisor Hinty made the motion to adjourn the budget work session. Supervisor Campbell seconded the motion. With a unanimous vote by the Board of Supervisors, the meeting was adjourned.

*The proposed FYE 2015 budget is scheduled for publication in The News-Gazette newspaper, on April 16, 2014 and April 23, 2014, in accordance with the requirements of §15.2-2506 of the Code of Virginia (1950, as amended).*