

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, FEBRUARY 25, 2015 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 5:34 p.m.

**Budget Work Session #2:**

Chairman Higgins opened the floor for citizen comments. No citizens were present to provide inputs on the draft operational budget. Mr. Bolster then introduced Lime Kiln's Grant Committee Chairman Brian Dearing.

Mr. Dearing introduced Lime Kiln Board of Directors member Charles Barger. Mr. Dearing thanked the Board of Supervisors for the opportunity to communicate Lime Kiln's fiscal year (FY) 2016 budget request. He mentioned that Lime Kiln is working with Rockbridge County staff to pursue state grant funding through the Virginia Commission for the Arts (VCA). Mr. Dearing went on to highlight the Lime Kiln operation: a Board of Directors with a strong business background; only one paid employee; dependence on multiple revenue streams; and assisting with economic development in the community. Mr. Dearing mentioned Lime Kiln's positive impact on bringing business to restaurants and hotels, stating that, in 2014, 44% of Lime Kiln attendees were from outside the County, to include 7% from out the state. He expressed their goal to target bringing 50% of their audience from outside of the County.

Chairman Higgins requested an explanation the breakdown of the potential grant funding. Mr. Bolster explained that the County is applying for \$3,250 from the state grant, while the FY

2016 budget reflects the local match of \$3,250, which must be part of the proposed local budget. Mr. Dearing stated that Lime Kiln is requesting \$4,500 from the city of Lexington, but there's no guarantee the state funding will be received to support the local match requests. He also added that the funding would support efforts to improve safety and accessibility at the Lime Kiln Theater. Supervisor Hinty asked if the City of Buena Vista was part of the state grant process. Mr. Dearing replied that he wasn't sure if Buena Vista was participating in the VCA grant; he reiterated that Lime Kiln wants to be self-sustaining with multiple sources of revenue. Chairman Higgins requested to receive a copy of their budget. Mr. Dearing replied with an affirmative and stated that they have a solid accounting process in place.

Mr. Suter explained that the primary focus of tonight's meeting was for Mr. Bolster to provide an update on the draft FY 2016 budget, to include the Finance Committee recommendations on funding levels, so that the full Board can begin deliberations on any proposed budget amendments over the next 30 days or so. He indicated the goal was to have a fully vetted budget prepared for the Board to forward for advertisement on April 2nd; the advertisement will include a FY 2016 balanced budget and calendar year 2015 tax rates in addition to the public hearing announcement. Mr. Suter stated the budget schedule calls for a public hearing on the proposed FY 2016 draft budget on the evening of April 15th.

Mr. Suter then informed the Board of some of the major budget challenges over the past two years. He explained how the Board exercised significant foresight by projecting a series of stepped real estate tax increases to avoid one-time shock to taxpayers, while deciding to use additional funding to complete and/or set aside for upcoming projects. They included:

- Satisfying the debt service for renovations at the Maury River Middle School
- Finalization of the Rockbridge Regional Jail upgrade project
- Preparation for implementation of a new radio system
- Preparation for implementation of a new lined landfill
- Creation of the Fire and EMS Director position
- Implementation of contracted EMS services

- Preparation for the cost of the Reassessment

Mr. Suter expanded his comments to the standard and ever-increasing cost of doing business, which also involves the constant pursuit of more efficient operations. Some of the examples include:

- New doors at the County Maintenance Garage which is projected to save thousands of dollars in heating costs
- Serving as our own general contractor in the landfill administration offices project - with targeted savings of \$20,000
- Shifting the street sign production and installation effort to recycling staff

Mr. Suter followed by stating that the County continues to do a good job of remaining within budget and avoiding excess appropriations. He went on to remark that last year's fiscal year budget cycle started with a gap of approximately 2.6 million dollars between requests and projected revenues. Mr. Suter explained that the County still doesn't know what the current gap will be, since a few budget requests that are up in the air. These include:

- The Board is still working with Rockbridge County Public Schools to reach a budget number for the transfer to support school operations. In that the transfer is the largest portion of the County's overall budget, this request could have a significant impact. Since the Boards have agreed to work together as committees of the whole, we hope to have some direction soon.
- The volunteer Fire and EMS budgets are currently being finalized. Over the past 60 days, County staff has worked closely with Fire and EMS leadership to introduce a new budgeting methodology, wherein each volunteer agency requests funding based on operational need. Supervisors Campbell and Ford have worked on the Board's behalf to review the budget requests. Plans are in place to meet again with the Fire Association and Rescue Group presidents to help ensure that equity in funding distribution is achieved.
- Requesting Board direction regarding personnel compensation. Mr. Suter reiterated a statement he's made in the past - that

he has a firm belief that staff is our greatest resource. He stated his pride in our members' everyday interactions with the public, their commitment to each other, and their willingness to keep budgets at a reasonable level. Mr. Suter also thanked the Board again for their willingness to conduct a salary survey; he informed the Board that Springsted was coming this Monday and Tuesday to meet with all full-time staff.

Mr. Suter reported that staff is proposing using some unencumbered reserves which the Board, by design, has built over the past several years, to fund one-time capital improvements and to stabilize the overall budget. He also remarked that despite the revenue shortfalls from the state in the current fiscal year, there appear to be glimmers of hope in some funding bills being proffered in the General Assembly - though some of the offerings come with a match requirement; he expected more details in the weeks ahead.

Mr. Suter also explained that one budget-process improvement involved the provisional approval of the Capital Improvement Program, giving significant planning advantages to staff in building their operational budget requests. He then turned the floor over to Mr. Bolster to go over the highlights of the draft budget requiring the full Board's consideration of changes offered by the Finance Committee.

Mr. Bolster provided background information on the budget spreadsheet and formula calculations associated with the budget presentation. He explained that the FY 2016 health insurance premiums will remain level with FY 2015; in addition, the County Worker's Compensation experience modification factor dropped from 1.08 to 0.93, with savings throughout all departments. Mr. Bolster proceeded to explain some the reductions recommended by the Finance Committee.

Several topics of discussion occurred during Mr. Bolster's presentation. They included:

- Supervisor Ford requested confirmation that cell phone procurements were completed using the state contract. (Yes)

- Supervisor Ford asked if the Public Service Authority funding support would change after the Washington and Lee University housing project comes to fruition. (No)
- Supervisor Lewis asked what made up the anticipated federal revenues. (Payment In Lieu of Taxes - PILT; Quality School Construction Bond interest reimbursement; Rental Assistance funding support; Marine Corps training exercise reimbursement)
- Supervisor Ford inquired if PILT funding was still expected in FY 2016. (Funding process for the federal government's FY 2016 budget is still ongoing; currently PILT is funded through FY 2015 only)
- Supervisor Higgins brought up the Response 50 vehicle used as part of the Advanced Life Support program in the County; he asked that Supervisors Campbell and Ford work with Mr. Suter and Fire and EMS Director Brandon Mitchell to see if this program remains viable. Supervisor Campbell and Mr. Suter confirmed that staffing remains an issue with this program. In addition, Mr. Suter reminded the Board that the Response 50 vehicle was procured through a state grant and that further research is needed on how this impacts the vehicles potential reuse. Supervisor Ford commented that the Lexington EMS cost-share should go down because of the County's new contracted EMS service.
- Chairman Higgins asked for an update on the response statistics coming from Central Dispatch. Mr. Suter indicated that reports are coming from Central Dispatch, but that numbers are also developed internally as the current CAD (Computer Aided Dispatch) system still has its challenges. Mr. Suter further explained that 911 director Bedell is working with DaPro and a potential third party to ensure the timely and accurate reports needed to assist with decision-making processes related to fire, EMS, emergency management, and law enforcement.
- Supervisor Lewis wanted to know if there were any previous discussions about possibly combining the Fire Association and the Rescue Group into one organization which would generate one funding request versus the two separate ones. Mr. Suter explained that such items are a potential topic about possible future organizational changes. Mr. Colby Irvine commented that both agencies have met, but probably

won't engage this concept until a future point in the calendar year. Mr. Suter stated Mr. Mitchell can be involved to work on highlighting the pros and cons of such a change, and to provide an informed recommendation.

- Mr. Suter discussed the current state of the Fire and EMS budget methodologies. He detailed the two different mechanisms used - which resulted in the volunteer fire departments' requesting the County fund 15% of their operational budgets, approve a 15% increase on current quarterly allotment, and keep level funding of the annual variable pay; meanwhile, the volunteer rescue squads are seeking the County to fund 75% of their operational budgets.
- Supervisor Lewis queried about the upcoming effort to request proposals associated with the County's transportation of solid waste and recycling. Mr. Suter explained that the current contract expires in August 2015, and that efforts are underway to execute a task order with Draper Aden and Associates to get assistance with what can be a complicated procurement process. Chairman Higgins remarked that the County needs to plan for all potential options in securing the most efficient and economical contract for the transportation of solid waste and recycling. Mr. Suter mentioned the likelihood of adopting a phased approach to managing the County's future solid waste transportation contract, citing the SCS Engineering suggested Solid Waste Plan. Supervisor Ford indicated that the County will need to be able to adjust as it considers the recommended changes from the SCS Engineering Solid Waste Plan.
- Mr. Suter explained that the former dentist with the State Health Department function retired in November 2014, and that most of the patients have switched to the Rockbridge Area Health Clinic. He explained the potential exists to reduce the State Health Department budget request by approximately \$82,000.
- Supervisor Lewis asked if the County's Preschool Program can be moved to the Rockbridge County Public School. Supervisor Hinty stated that the Preschool Program staff are not certified school teachers, and that's why the operation can't be managed by the schools.

- Supervisor Lewis advocated for adding back the Rockbridge Area Recreational Organization's (RARO) capital improvement request of \$12,500 into the draft budget, citing that 80% of RARO participants are from the County and that this request is RARO's top priority. Chairman Higgins and Supervisor Ford sought assurances that there was commitment for the City of Lexington to support future RARO upgrades in the County. Mr. Suter provided confirmation that Lexington was willing to support improvements to fields in the County. The Board then instructed staff to include the RARO request in the FY 2016 draft budget.
- Chairman Higgins directed staff to provide the impact on the potential compensation changes involving the authorization of step increases to eligible members and a cost of living adjustment to the overall County pay scale, both effective July 1, 2015. He asked that this update be provided at the next budget work session.

**Convene the Solid Waste Authority:**

The Solid Waste Authority convened at 7:06 p.m. to discuss Fund 19 - Solid Waste Authority Landfill Operations. Mr. Suter informed the Board that scheduling conflicts during the current budget cycle have interrupted plans for the Solid Waste Committee to meet, resulting in a lack of recommendation from this committee; he will continue efforts to coordinate a future Solid Waste Committee meeting to discuss the FY 2016 draft budget.

Mr. Bolster explained the anticipated FY 2016 tonnage for each local government and that the tipping fees are budgeted in keeping with last year's plan to increase rates to build a capital reserve to assist with early phases of constructing the new lined landfill; the Rockbridge County and City of Lexington FYE 2016 rates are currently budgeted at \$52 per ton. He also detailed that the City of Buena Vista tipping fee was developed so that they pay at a level that covers the planned expenditures for FY 2016; their budgeted tipping fee is \$37.59 per ton.

Several topics of discussion occurred during Mr. Bolster's presentation. They included:

- Buena Vista appears to have made the decision to be considered a customer rather than a partner in the regional effort to manage solid waste; they have clarified that they are not paying the same tipping fee as Rockbridge County and Lexington.
- He confirmed that Buena Vista retains long-term liability to participate in funding closure/post-closure activities, as their waste stream is included in the current active cell scheduled to close in 2017.
- He suggested that the Authority consider memorializing Buena Vista's decisions not neither to pay either the cost-share of the former unstaffed collection center on Route 501 nor to honor the revenue-sharing agreement related to the former regional industrial park.
- Tipping fees will be set at a future budget meeting once the Solid Waste Committee has met to discuss the FY 2016 budget.

Mr. Bolster then explained the changes associated with the FY 2016 Fund 20 - Solid Waste Authority Recycling budget.

The Solid Waste Authority closed at 7:14 p.m. by unanimous roll call vote.

**Adjourn:**

It was announced that the next scheduled budget work session was for March 9th, at 4:00 p.m. in the Board Meeting Room. Chairman Higgins stated the Board will continue coordinating budget proceedings with the Rockbridge County School Board. With no further business, the budget work session was adjourned by unanimous roll-call vote.