

AT BUDGET WORK SESSION, #3, OF THE BOARD OF SUPERVISORS OF
ROCKBRIDGE COUNTY VIRGINIA, HELD AT THE ROCKBRIDGE COUNTY
ADMINISTRATIVE OFFICE BUILDING AT 150 SOUTH MAIN STREET,
LEXINGTON, VIRGINIA ON MONDAY, MARCH 9, 2015,
AT 4:00 P.M.

PRESENT: CHAIRMAN J.M. HIGGINS,
MEMBERS: R.R. CAMPBELL, A.W. LEWIS, JR.
LATE ARRIVAL: R.S.FORD (4:04 P.M.)
ABSENT: D.W. HINTY, JR.
COUNTY ADMINISTRATOR
AND CLERK TO BOARD: SPENCER H. SUTER
FISCAL SERVICES
DIRECTOR: STEVEN J. BOLSTER

STAFF: BRANDY WHITTEN

Call to Order

Chairman Higgins called the meeting to order at 4:01 P.M.

Chairman Higgins asked the County Administrator to present the Budget update in the absence of the Finance Director.

County Administrator Spencer Suter presented the Chairman with letters to Congressman Goodlatte, Senator Kaine, and Senator Warner, requesting their support to secure full funding for the Payments in Lieu of Taxes (PILT) program for fiscal year 2016 and beyond. He asked that the Board discuss these letters and if given consensus, he would send the letters on behalf of Chairman Higgins. The Board Members present- Campbell, Lewis, and Higgins- gave consensus for Mr. Suter to send these letters on behalf of the Board of Supervisors.

Mr. Suter stated that the State budget had been passed but had not yet been signed by the Governor.

Local impacts included:

- a. Reduction in Aid to Localities has been eliminated, resulting in State reductions in FY16 in the amount of approximately \$54,000.

- b. Compensation raises of 1.5% for SOQ teaching positions will require local contribution.
- c. 2% Comp Board raises effective September 1, 2015 if the revenue projections hold, but would require some local pickup of non-Comp Board, locally supported Constitutional positions.
- d. State budget eliminated the purchase of voting equipment, making localities responsible for purchasing their own equipment

Chairman Higgins asked Mr. Suter if this equipment could be purchased by this Fall. Mr. Suter affirmed, but reiterated that it would have to be purchased using local funds. Supervisor Ford stated that some of the equipment seemed to have failed the last time it was used, but the problem ended up being the server and no votes were "lost". He asked if it would be possible to reduce the number of precincts throughout the County so the County would not need to purchase so much equipment, in hopes of reducing the cost - or, alternatively, to just purchase new servers and continue using the current system. Mr. Suter advised that he would meet with the County Registrar and the Electoral Board to retrieve some answers to these questions and get back with the Board.

Chairman Higgins distributed a budget request from the School Board that he received just before this Work Session. He asked each member to review this request and be prepared to discuss it during the Joint Finance Committee Meeting of the Board of Supervisors and School Board.

Supervisor Campbell suggested that the Board go ahead and insert level funding, since there is no indication that the schools will prepare a budget for the County.

Supervisor Lewis stated that the Code asks that the School Board submit the budget request and doesn't feel it is the Board of Supervisors' business to look at how the School Board runs their schools. He added that he did not feel the School Board could submit a budget to the County.

Supervisor Campbell stated that it had been done in the past. He further stated that submitting a budget request document versus an actual budget may comply with Code, but it does not comply with proper fiscal procedures of the County.

Chairman Higgins stated that citizens of the County should be able at some point to review the school's budget just as they have the ability to review the County's. Supervisor Lewis reminded the Board that it is

routine for the School Board to present a budget after it is adopted, which means it must be lawful for them to have a different procedure compared to the County's.

In regard to the budget request, Supervisor Ford shared his confusion with how the additional premium for Health Care in 2014-15 was lowered to 7.85%, and asked what had happened to the surplus from the budgeted 14.5% increase.

Chairman Higgins stated that he would be asking about the savings of 10% was that was put in a separate new line item last year during the Joint Finance Committee Meeting.

Supervisor Ford asked how the Board of Supervisors would be exercising the oversight of savings in the current year budget as opposed to last year, when the School Board went ahead and used those funds for capital improvements without asking the Board of Supervisors for permission. He stated that there had been a policy adopted by a previous Board that has not been followed. He asked how the savings would be documented.

Mr. Suter replied that during the October Budget Meeting, this was discussed and it was agreed upon by the County's Finance Committee and the Schools Finance Committee for the Schools to develop an itemized CIP for review and collective agreement.

Chairman Higgins directed the County Administrator to go ahead and program level funding for the Schools.

Supervisor Ford asked to discuss the raise for State employees. Mr. Suter stated that, per the state budget, it is anticipated that all State employees including the Comp Board employees will receive a 2% raise beginning September 1st, and that teachers would receive a 1.5% raise beginning August 1st pending a local match which would be required to make the raise happen. Chairman Higgins noted that a State raise and "step" raise for the schools are two different raises. He further noted that teachers are given raises according to years of service, making it a "step" raise. He stated that he would need clarification of the "step" raises.

Supervisor Ford stated that he would be asking Thursday night about some clarification on the SOQ raises because there was no information about it in the budget consideration document. Supervisor Lewis shared his opinion on programming flat funding, stating that it was highly disrespectful and is not the fair way to handle this, adding that it makes no sense that as of right now the Finance Director has \$0 programmed for the schools, which makes no sense.

Mr. Suter advised that he and the Finance Director got into trouble last year for starting the budget with flat funding. He further noted that, in order to ensure that staff does not repeat that mistake, the number was entered as "\$0" this year until direction was given from the Board.

Supervisors Campbell, Ford, and Higgins agreed to go ahead and program level funding, noting it was not a guaranteed number, but a number just to start with.

Supervisor Lewis stated that he did not understand where this funding will be programmed in the budget document. Mr. Suter advised that the funding would be programmed under the Board of Supervisors request next to the departments/Finance Committee's request in the budget chart.

Supervisor Lewis stated that it would not be consensus by the Board to program flat funding because he did not agree with it, so it would have to be a 3-to-1 vote.

Mr. Suter then reviewed information on the Fire and EMS budget. He stated that, since the last meeting, a budget was submitted by Buena Vista Volunteer Rescue Squad. He further stated that discussions with the Fire and Rescue Commission have resulted in presenting line-item budgets as opposed to a flat- equal allotment for each of the departments. He stated that, years ago when the allotment process began, the RERG and Fire Association each had an option of receiving variable pay (based on the number of calls that they run) or to take that money and apply it evenly among all agencies. The Fire Association voted to receive a portion of their overall allotment as variable pay, whereas the RERG voted to take the sum of money and divide it evenly among the EMS agencies. Mr. Suter noted that it was essential to for the Board to see a line-item budget to shed additional light on how much it actually costs to run each agency. He discussed how much work had gone into the budget process and commended both volunteers and Director Brandon Mitchell for their dedication. He then noted that, despite all the hard work, we were unable to establish necessary equity among departments in the current budget cycle via line-item budgeting. However, he noted, in his opinion, the work that was done justified an increase in most cases. He noted that the recommendation was to keep Kerrs Creek and Effinger at level funding, since they currently receive both a Fire and an EMS allotment. He also noted that there would be an ancillary yet real raise because agencies will no longer have to pay for equipment testing from their own budgets.

Supervisor Lewis asked where the additional funding will come from. Mr. Suter replied from the General Fund.

Mr. Suter then reviewed the compensation consideration, stating that the recommendation would be 2% for staff with a step. In more detail, Mr. Suter indicated that this would include \$33,000 additional for Fund 11 (County Employees); \$8,000 for Fund 19 (Landfill Employees); and \$4,600 for Fund 20 (Recycling Employees)

Mr. Suter then reviewed other changes to the budget. He stated that the County's funding via formula of the Juvenile Detention Center (\$25,810) had not yet been budgeted. He also stated that the amount to maintain Rockbridge Middle School and Highland Belle could possibly be reduced or removed depending on the outcome of current proposals on each property. Also, he stated that it has been confirmed to remove \$82,000 from the Virginia Department of Health budget request for the dental program because the program had been eliminated locally.

Chairman Higgins indicated that he had spoken with the Commissioner of the Revenue, and following that discussion he believes the Commissioner's part time budget line should be increased by \$5,000, which will be used for a staff member to provide comparisons of Business Licensees. Supervisor Ford added that the part time employee would fill the position of a current full time employee while that staff member provides the research in other areas. Supervisor Lewis asked that the County Administrator begin negotiations with the Commissioner of Revenue in hopes to use a current County employee versus hiring someone part time.

Mr. Suter stated that it was discussed in a recent Finance Committee meeting to start ne next fiscal year by establishing targeted capital funds. In this way, he noted, the Board and public can more easily see how much money is being reserved for future capital projects.

On another topic, Assistant Director of Community Development Chris Slaydon reported that he gave a presentation to about a half-dozen people on the proposed Source Water Protection Overlay District at New Monmouth Church on February 25; this was a repeat of what he had presented to the Natural Bridge Soil and Water Conservation District Board on December 17, 2014, with approximately 20 people in attendance.

Chairman Higgins closed the Budget Work Session at 5:17 P.M.

