

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 MONDAY, MARCH 23, 2015 AT 4:00 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
STAFF: BRANDY WHITTEN

Call to Order:

Chairman Higgins called the work session to order at 4:00 p.m.

Budget Work Session #4:

Mr. Suter provided a summary of the major increases on the fiscal year 2016 operational budget. They included:

- Proposed funding through the General Fund
 - Transfer to School Fund (Ops): \$617K
 - Transfer to School Fund (Debt): \$416K
 - County cost share of landfill (Ops): \$331K
 - Fire and EMS Services: \$238K
 - Employee compensation increases: \$45K
 - Constitutional Officers and Staff increases: \$35K
 - RARO Capital Improvement Plan request: \$35K
 - County cost-share of Regional Library: \$20K
- Activities supported by restricted cash accounts
 - VRS Supplement to School Fund: \$176K
 - Contracted EMS Services: \$100K
 - County Maintenance Garage parking lot: \$65K
 - Vehicle fleet tracking software: \$40K
- Actions funded through unencumbered reserves/carryover
 - General Reassessment: \$233K
 - Replace Admin. Bldg. HVAC/upgrade restrooms: \$125K
 - BAI.net software modules (Treasurer/Finance): \$38.5K
 - Firing Range: \$25K
 - Four for Life procurements: \$11.5K
 - Sheriff vehicles: \$264K
 - Refuse containers: \$10K

Mr. Suter continued his remarks with details on the current \$688,787 gap between requested expenditures and anticipated revenues. He stated the largest part of the budget gap is the School Division's operational request for an additional \$617K. Mr. Suter explained that the non-school related budget gap is nearly \$72K. He stated that discussions with Fire and EMS representatives included acknowledgement that the County can only do so much in one year regarding potential contribution increases. Mr. Suter expanded by saying that potential further budget cuts might be made by removing \$50K in defined reimbursements and \$17K in Fire and EMS online training fees. He added that these targeted cuts would leave a non-school related budget gap of nearly \$5K that he and Mr. Bolster could work together to reduce in other areas of the draft budget.

Mr. Suter went on the detail additional fiscal year 2016 requests that were communicated to staff in the previous weeks leading to this budget work session. They included:

- Voting equipment: \$250K
- Commissioner of the Revenue part-time temp staff: \$5.5K
- Dabney S. Lancaster Community College scholarships: \$15K
- Sunrise Rotary (Balloon Rally): \$2K

The Board directed staff to include the funding request of \$5.5K from the Commissioner of the Revenue for a part-time temporary staff in fiscal year 2016 draft budget. All other budget requests listed above were not to move forward in the draft budget.

Mr. Suter reminded the Board that the salary survey which is currently underway may come back with recommendations for salary adjustment in some areas. He requested the Board be willing to consider mid-year adjustments if at all possible. Mr. Higgins responded that the Board will definitely consider the results of the final salary survey report.

After Mr. Suter's update a series of remarks, the Board of Supervisors discussion began, as reflected below.

Chairman Higgins informed the Board that he had spoken with School Board Trustee David McDaniel, who indicated that the former annual transfer of the Restricted Cash-VRS Teacher Supplement would be in the School Division's base funding request for fiscal year 2017. He expanded his comments by saying the School Division will be looking for a revenue source to cover this former transfer.

Supervisor Lewis stated the new School Board and Administration have produced a Capital Improvement Plan and reduced their budget request from wants to needs. He explained their request as follows:

- Salary increases for all Rockbridge County Public School employees, which excludes a step increase
- Health Insurance premiums up 7.85%
- Additional Special Education and Reading Instructors at the elementary school in response to needs for the school children who are struggling
- After-school Programs that are not a baby-sitting service
- Summer School to help children maintain levels of learning over the summer

Supervisor Lewis continued by saying the \$617K increase in local funding is a reasonable request. He said four sources of funding which support this request include:

- Unassigned reserves; our Financial Advisor previously remarked that we can use reserves to stabilize budgets
- Projecting a surplus of \$825K in the current fiscal year
- Increasing the real estate tax rate by 2.8 cents, as forecasted in 2013
- Savings which could be taken from the overall budget

Chairman Higgins commented that last week he waited at the School Division's public comment meeting and only one citizen spoke. The citizen had some of the same concerns that some Supervisors have had on receiving a line-item budget for the public to review. Chairman Higgins also said he had spoken with NBE Principal Melanie Falls and he felt better about understanding their after-school program at Natural Bridge Elementary which does help their students, but noted that each elementary school had a different program. He expanded his comments by saying that Supervisor Campbell had asked to receive data on the School Division's fiscal year 2016 budget, but has not received it. He noted that in fiscal year 2015, the School Division is expected to receive an additional \$1.7M from the state, an additional \$400K from Lexington City, and has spent around \$400K from the School Capital Reserve Account. Chairman Higgins ended by saying if the state gives raises for specific School Division positions, then all their employees should get one.

Supervisor Campbell explained that during the last budget cycle, he had requested a budget from the School Division. He said their Central Offices assured him that they would have it for him during fiscal year 2016 budget discussions. Supervisor Campbell told School Division representatives that he would propose level funding if he did not get a budget. He said that because he's not received a budget from the School Division, he's now in the position where he will keep his word on supporting level funding. Supervisor Campbell added that he thinks there is room for funding employees raises in the school budget and still maintain local level funding.

Supervisor Ford stated that he and the Chair had warned the School Division last year to be very careful with how they spent funding on one-time projects. He said that he was also thinking about the taxpayers who supported the expansion and upgrade of the Maury River Middle School, and whose taxes are already committed to fund an increase in debt service of \$416K in fiscal year 2016. He also agreed with Supervisor Campbell that the School Division could look internally into their 2016 budget and find savings to support their additional requests.

Supervisor Hinty commented that the School Division is approved to receive state funding for raises to Standards of Quality teacher positions. He thinks the School Division's budget is very fair and supports their request for additional local funding.

Supervisor Lewis said he respects Supervisor Campbell's position to keep his word, but didn't think the Board of Supervisors can withhold funding to support Rockbridge County students for lack of a school budget. He said that School Boards across the state prepare their budgets at the end of the process once they have firmly identified anticipated revenues. He repeated School Board Trustee McDaniel's offer for Board members to come to the Central Office to review what they see in their budget. Supervisor Lewis said state code simply refers to School Divisions submitting categorical budgets to their local government body.

Supervisor Campbell remarked that three years ago he had sat with the School Board at a previous joint meeting and told them that he had once sat in their seats, but that now that he's on the Board of Supervisors, he has to look out for the taxpayers. He repeated his opinion that there are places in the School Division budget where they can find savings to support their requests.

Supervisor Lewis made a motion to include the School Board's request for additional, local funding support for School Division operations in the draft fiscal year 2016 budget. Supervisor Hinty seconded the motion. The motion failed by the following roll call vote:

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

Supervisor Campbell made a motion to exclude the School Board's request for additional, local funding support for School Division operations in the draft fiscal year 2016 budget. Supervisor Ford seconded the motion. The motion carried by the following roll call vote:

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

Adjourn:

It was announced that the next scheduled budget work session was for April 2nd at 5:30 p.m., in the Board Meeting Room. With no further business, the budget work session was adjourned by unanimous roll-call vote.