

AT A SCHEDULED BUDGET WORK SESSION 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 THURSDAY, APRIL 2, 2015,  
AT 5:30 P.M.

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

**Budget Work Session #5:**

Mr. Suter stated the purpose of this budget work session was to consider the proposed fiscal year 2016 budget, and calendar year tax rates and fees for public advertisement for both the County of Rockbridge and the Solid Waste Authority. He then provided a recap on the budget process.

Mr. Suter explained that it was the standard practice in Rockbridge County for the Board of Supervisors to adopt a list of funding priorities in November to help guide the budget process for the upcoming fiscal year. Mr. Suter continued that over the months of December and January, staff worked with internal departments, Constitutional Officers, and external agencies to develop the initial draft budget. He commented that as with most years, requests exceeded projected revenues for fiscal year 2016; staff, working with the Finance Committee, then reduced requests to a manageable level. The Board's Finance Committee, consisting of Chairman Higgins and Supervisor Ford, met with himself and Mr. Bolster on many occasions through the budget process.

Mr. Suter went on to remark on three significant departures from the traditional process. They included:

1. Capital Improvement Program (CIP): In the past, work on the CIP started later in the process, running concurrently with work on the operating budget. This process presented challenges in scheduling - as well as difficulties in reconciling CIP impacts on the operating budget. Thus, the County opted to develop the CIP earlier in the process, and the Board adopted a provisional CIP in January, 2015; this allowed for potential amendments during development of the operational budget. As of April 2, 2015, the only changes in the CIP have been deletions or deferrals; they include the removal of a pickup truck for the landfill [to be procured with current-year savings], and deferral of funding for new voting machines. It is anticipated that the CIP would be considered as-is during the budget adoption meeting currently scheduled for April 22, 2015.
2. Volunteer Fire and EMS agencies agreed to develop detailed 2016 budgets in a consistent format. This process was greatly assisted by Fire and EMS Director Brandon Mitchell, as well as the ad hoc Fire and EMS funding committee of Supervisors Campbell and Ford. Ultimately, the process could not be completed on such a tight schedule, but the detail offered by the departments and squads was sufficient to justify increases for most agencies. In addition, a solid foundation on which to begin the fiscal year 2017 budget cycle is in place - along with plans to make the process even better next year. Mr. Suter highly commended all, and expressed his deep appreciation and thanksgiving to the many Fire and EMS volunteer leaders who embraced the new process and spent many hours developing budgets.
3. The final change was implementation of a "committee of the whole" in consideration of the school's budget. Both the Board of Supervisors and the School Board agreed to meet as a group rather than utilize two members from each governing body.

Mr. Suter stated that in addition to three joint meetings with Rockbridge County Public Schools representatives, the Board has held five work sessions during the progression of the fiscal

year 2016 budget cycle. He explained that in each budget session, revisions resulting from the previous sessions were presented to the Board, of which the final result is before them tonight. Mr. Suter further remarked that proposed universal increases seen in the fiscal year 2016 budget included a 2% raise and position steps for County employees effective July 1, 2015, and a 2% compensation increase for Constitutional Officers and their staffs effective September 1, 2015. Lastly, Mr. Suter informed the Board that anticipated revenues to cover the proposed budget come from three primary sources, which include:

1. Local revenues supported primarily by taxes and fees, supplemented by state and federal funds.
2. Use of restricted cash accounts, specific to certain departments or functions.
3. Use of unassigned reserves, mainly for one-time expenditures. This potential action is made possible by the Board's judicious use of progressively increasing reserves resulting from gradual tax increases over the past several years, aided by modest increases in other revenues.

Mr. Suter then asked Mr. Bolster to provide further details on the proposed fiscal year 2016 budget.

Mr. Bolster covered some of the changes the Board directed staff to make on the proposed fiscal year 2016 budget resulting from the March 23, 2015 budget work session. They included:

1. Local level funding for Rockbridge County Public School operational budget.
2. Adding \$5,500 to the Commissioner of the Revenue's budget for a temporary, part-time position.
3. Not including the recent verbal requests for funding linked to potential Dabney S. Lancaster Community College scholarships for Rockbridge County citizens (\$15,000), support for the Sunrise Rotary's Balloon Rally (\$2,000), and consideration for the procurement of voting equipment (\$250,000) pending the potential for state revenue to offset this CIP request. It is expected that these

requests will be resubmitted during the fiscal year 2017 call for budget estimates.

4. The increase was balanced by a reduction in the debt service accounting line linked to the estimated contribution of the County to the Public Service Authority's Lexington to Raphine Waste Water Treatment lines financing.

Mr. Bolster then highlighted some of the notable increases in the fiscal year 2016 budget when compared to the current year budget. They involved:

1. Phase one of the reassessment effort (\$232,500)
2. Purchase of Sheriff's vehicles (up \$187,396)
3. Contribution to Volunteer Fire Departments (rise of \$81,562)
4. Contribution to Volunteer Rescue Squads (higher by \$52,084)
5. Rockbridge County Administration Building upgrades (up by \$62,500)
6. County share of landfill operations (increase of \$331,125)
7. Contribution to the Library and Talking Books (higher by a combined \$25,910)
8. Contribution to the Virginia Horse Center USDA debt service (\$202,500), which is fully supported by the additional 1% occupancy tax approved to begin in August 2014
9. School Division debt service (rise of \$416,211)

Supervisor Lewis asked for a justification on the increase in spending on Sheriff's vehicles. Mr. Bolster explained that the Sheriff's vehicle procurement levels for fiscal year 2016 have been part of the CIP process; the Sheriff analyzes each vehicle targeted for replacement by age, mileage, and vehicle maintenance history to adjust acquisition levels each CIP cycle. Mr. Bolster also added that the Sheriff's vehicle levels in the out-years are at a fairly consistent level. Supervisor Campbell noted that the cost increase is the result of changing from a lease-purchase format to annual purchases.

Chairman Higgins shared a hard copy of the email sent by School Board Chairman Jay Lewis requesting a potential future meeting between the two Boards to discuss the budgets under consideration. He also remarked that the state is giving out information that is not entirely true regarding the authorization to fund school teacher compensation increases - that the state's actions amount to an unfunded mandate for local governments. He asked if the Board would like to move ahead with another joint meeting. Supervisor Lewis responded that answering questions or communicating additional information does not require another joint session between the two Boards. There was no response to Chairman Higgins's second request to meet again jointly.

Mr. Suter then explained that because the proposed increase in Solid Waste Authority tipping fees impacts the County's General Fund, it was recommended that the Solid Waste Authority convene to consider their proposed fiscal year 2016 budget.

**Convene the Solid Waste Authority:**

Chairman Higgins convened the Solid Waste Authority at 5:55 p.m.

Mr. Bolster explained that the Solid Waste Authority governs two budgets:

1. Landfill Fund (Fund 19)
2. Recycling Fund (Fund 20)

Mr. Bolster provided the fiscal year 2015 tipping fees related to the Landfill Fund. This included:

- Rockbridge County at \$37.90 per ton
- City of Lexington at \$37.90 per ton
- City of Buena Vista at \$34.15 per ton

He continued his comments by stating that the fiscal year 2016 anticipated tonnage for the Solid Waste Authority's three customers was:

- Rockbridge County at 26,000 tons
- City of Lexington at 8,635 tons
- City of Buena Vista at 5,436 tons

Mr. Bolster reiterated the Solid Waste Authority's plans from the prior budget cycle to increase tipping fees to assist with offsetting capital costs on the planned lined landfill. As a result, the tipping fees were proposed at the following levels for fiscal year 2016:

- Rockbridge County at \$52.00 per ton
- City of Lexington at \$52.00 per ton
- City of Buena Vista at \$37.59 per ton

The City of Buena Vista's proposed tipping fee rate was based on a tipping fee that would cover the operational budget, to include current debt service and planned lease-purchase procurements.

Supervisor Campbell made a motion to advertise the proposed fiscal year 2016 Solid Waste Authority budget as presented. Supervisor Ford seconded the motion. The motion carried by the following roll call vote:

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

With no further business, the Solid Waste Authority closed their session by unanimous roll-call vote.

#### **Return to Budget Work Session #5:**

Chairman Higgins led the discussion on the salary survey that is currently underway. He confirmed that the Board will look at the results of the survey once it's completed to consider what compensation action to take based on its recommendations. Supervisor Ford added that four of the five Constitutional Officers are also taking part in the salary

survey; many of their employees are actually on the County's payroll.

Supervisor Lewis asked why the 2.8 cent projected increase on the real property tax rate did not get realized in fiscal year 2016. Mr. Suter explained that the radio system upgrade debt service hadn't been consummated, resulting in lower budget expenses; Fire and EMS Services were estimated to see increases of \$210,000, which has not occurred; and in general the future can't be predicted with 100% accuracy. Supervisor Ford added that the current proposed budget was balanced by the plan to use unassigned reserves to assist with budget stabilization. Supervisor Campbell also commented that County Treasurer Betty Trovato is doing a great job in garnering revenue collections. Mr. Suter remarked that the Treasurer's and Commissioner of the Revenue's offices are the first line of public interaction regarding the County's revenues.

Supervisor Lewis read from his prepared statement:

"I do not support this proposed budget. Specifically, it is not faithful to the Board's stated vision of 'a community defined by first-class educational programs.' It demeans our mission 'to responsibly allocate resources to promote education' in the County. It also flies in the face of our high priority Economic Development Strategy of which quality education is a key component. With four of our six schools categorized as needing improvement, this Board has a definite need to support our students and teachers. They are on the front lines struggling to provide the circumstances required for success in today's world. The School Board and Administration have faithfully identified the problem with achieving this success and have developed a plan to address it. With time still left before adoption of a 2016 budget, we have the opportunity to rethink our position. Last year's budget failed to add new County funds for education when a modest request was made by the School Board. Following contentious meetings in the shadows between the two bodies, so called 'flat funding' was approved. This, while this Board authorized new funding for stray animals, health care for the poor, and feathered its own nest with new positions (all important investments) - but not one new penny

for the school children. I acquiesced at the time and supported the budget in hopes that reason would follow. So this year the process was opened up - but with little difference. We experienced what could be called another annual penny pinching charade where the schools are concerned. Careful use of scarce funds is important, but as we honor and support the school community with our words, good governance dictates to us a mandate to better support our schools financially at this critical time."

Supervisor Hinty asked where the additional funding would come from if the County ends up assisting the School Board with raises.

Supervisor Ford expressed that the School Board has funding in their budget request to support the 1.5% raises without the County providing an additional \$617,095. He further commented that the Board hasn't had much interplay with Rockbridge County Public School representatives during the County's multiple work sessions, to include not being here for tonight's meeting.

Chairman Higgins remarked that the School Division received \$1.7M additional from the state in the current fiscal year and that he made it clear last budget cycle that this additional funding was guaranteed for two fiscal years only: 2015 and 2016. He asked what would have happened if the School Division hadn't received this increase over the same timeframe. Chairman Higgins further stated that the County is providing an increase in funding to the School Division to support higher debt service in fiscal year 2016. He added that the Board supported the School Board's request to complete an architect and engineering study via funding from the school capital account, with an eye to future cooperation on identified capital needs. This was evidenced by the motion made by Mr. Ford at the March 12, 2015 Joint Board Meeting, and approved by the entire Board.

Supervisor Ford made a motion to advertise the proposed fiscal year 2016 County budget as presented. Supervisor Campbell seconded the motion. The motion carried by the following roll call vote:

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

Mr. Bolster informed the Board that Community Development Assistant Director Chris Slaydon will present an update to the CIP at the budget adoption meeting scheduled for April 22, 2015.

**Adjourn:**

Chairman Higgins announced that the Public Hearing for the proposed fiscal year 2016 budget was scheduled for Wednesday, April 15, 2015 at 6:00 p.m. in the Board Meeting Room. In addition, Chairman Higgins stated that the scheduled fiscal year 2016 budget adoption meeting was on Wednesday, April 22, 2015 at 6:00 p.m. in the Board Meeting Room. With no further business, the budget work session was adjourned by unanimous roll-call vote.