

AT A PUBLIC HEARING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE
COUNTY VIRGINIA, HELD IN THE COUNTY ADMINISTRATION BUILDING,
150 SOUTH MAIN STREET LEXINGTON, VIRGINIA,
ON WEDNESDAY, APRIL 15TH, 2015, AT 6:00 P.M.

PRESENT: CHAIRMAN J.M.HIGGINS
MEMBERS: R.R.CAMPBELL, R.S.FORD, A.W.LEWIS, JR.,
D.W.HINTY, 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 6:01 P.M. and welcomed all in attendance. Mr. Campbell led the Board in an invocation and the Pledge of Allegiance.

Chairman Higgins then advised those present of the following:

"Draft budgets are available at the front table. We request all wishing to speak at tonight's Public Hearing to please sign-in on the sheet at the desk towards the front.

"The purpose of this Public Hearing is to give Rockbridge County citizens the opportunity to express their views on the proposed County budget and Solid Waste Authority budgets for fiscal year 2016 and the tax rates and fees for calendar year 2015.

"Budget estimates to be discussed tonight are at this point only estimates; no budgets have been adopted. The Board expects to adopt a budget on Wednesday, April 22nd, 2015 at 6:00 P.M in this meeting room.

"The following procedure will be used tonight in reviewing the budget: County Administrator Mr. Spencer Suter will offer brief statements about the budget process. I will then call upon Fiscal Services Director Mr. Steve Bolster to review the County's general operating budget. At the conclusion of Mr. Bolster's presentation, the Board will be glad to hear citizen comments. Again, we request that all those who plan to speak tonight to sign in on the sheet available at the front table. I will call upon citizens in the order in which they signed up. After hearing from our citizens, I will ask Board Members if they wish to make any comments.

"In order to ensure that we have an orderly meeting and to allow all those who wish to comment either for or against the proposed budget, we would ask that you observe the following rules:

- 1) Upon approaching the lectern, state your name and Magisterial District.
- 2) Please direct your comments to the Board.

3) Please keep comments to no more than 3 minutes.

4) Please feel free to express any new thoughts or comments.

You should also feel free to support what a previous speaker has said, but please don't take up time by repeating their comments.

"Again, please understand the purpose of this meeting is to receive public comment. If a citizen has a question, we will take note of your name and contact information, and will contact you with an answer by the end of the week."

Mr. Suter then offered the following comments regarding the budget process:

"As has become standard practice in Rockbridge County, the Board adopted a list of budget priorities last November, to help guide the budget process. Subsequently, and over the months of December and January, staff worked with internal departments, Constitutional Officers and external agencies to develop the budget. As with most years, requests exceeded projected revenues for fiscal year 2016. Thus, we worked to reduce the requests to a manageable level.

"Chairman Higgins and Supervisor Ford again served as the Board's Finance Committee and were instrumental in helping to build the draft budget prior to presentation to the full Board.

"As the budget began to take shape, we transitioned to work sessions with the full Board. Ultimately, the Board held 5 pre-scheduled sessions and 1 that was called. In addition, 3 joint budget meetings were held with the school board, for a total of 9 sessions.

"During this cycle, there were three significant departures from the traditional process.

- The first was a change in the way we approach the Capital Improvement Program (CIP). Rather than developing the CIP in parallel with the operational budget, we opted to complete the draft CIP first this year, which helped to streamline the process. There have been some minor tweaks over the past few months, but largely the CIP that the Board provisionally adopted in January is what will be considered by the Board on April 22nd.
- Next, volunteer fire and EMS agencies agreed to develop detailed budgets in a consistent format. This process was greatly assisted by Fire and EMS Director Brandon Mitchell, as well as by the ad hoc fire and EMS funding committee of Supervisor Campbell and Supervisor Ford. The volunteers who developed the budgets worked very hard and deserve the lion's share of the credit for providing greatly increased justification for their budget needs. Ultimately, we were

unable to fully consummate the process, but the detail offered by the departments was sufficient to justify increases for most agencies.

- The final change was implementation of a 'committee of the whole' in consideration of the school's budget. This year, both the Board of Supervisors and the School Board agreed to meet as a group rather than utilize 2 members from each body. As noted previously, the two Boards met on 3 occasions in an attempt to reach consensus on the budget.

"During each work session the Board held, any amendments or additions resulting from the previous session were presented in an updated budget document. On April 2nd, the Board approved advertisement of operating budgets of:

\$ 40,880,592 for the County, to include transfer to the School and Recycling Funds, and under the Solid Waste Authority,

\$ 2,005,359 for the Landfill

\$ 504,309 for Recycling

"The only increase advertised for taxes and fees was an increase of landfill tipping fees to \$52 a ton, in support of future landfill expansion."

Mr. Bolster then gave an overview of revenues and proposed expenditures. He presented the following:

"The latest fiscal year 2016 line-item draft budget is available at the table near the board room entry door. Each draft line-item budget discussed at the Board of Supervisors' budget work sessions, to include tonight's Public Hearing, is available online, on the County's website, under the 'Budget/Audit' link on the main webpage. The public can also find the adopted fiscal year 2016 funding priorities and budget schedule.

"This is the County's 7th public forum in discussing the proposed fiscal year 2016 budget. Four of those budget meetings involved a review of anticipated revenues and planned expenditures. Tonight's presentation involves a highlight of some of the budget changes, by function, for the proposed General Fund and Solid Waste Authority budgets.

"The rise in the General Fund local revenues is associated with positive trends in collection for Real Property (+\$387,670); the Public Service Corporation Tax(+\$75,000); Personal Property Tax(+50,730); Local Sales and Use Taxes (+325,500); the Business, Professional, and Occupation License Tax (+\$10,000); and the Bank Franchise Tax (+6,425). The Local Sales and Use Tax increase reflects the inclusion of the

additional 1% occupancy tax which began in August 2014 (+202,500).

"Revenue increases from the state reflect the estimated changes in the Compensation Board revenue totals for Constitutional Officers and their staff. County staff also is anticipating increases in state non-categorical aid based on recent revenue trends; this would include both the Auto Rental Tax and the Recordation Tax.

"There are minimal changes in revenue from the federal government. However, we continue lose revenue due to the reduction of the federal interest-payment reimbursement for the Quality School Construction Bond associated with the Maury River Middle School renovation and expansion. As a result of the federal sequestration legislation from 2013, the County receives approximately 92% of the interest reimbursement, versus the original 100%.

"The increase in the use of reserves involves usage of prior end-of-year surpluses gained from additional revenues to support procurement for one-time capital improvements/purchases and budget stabilization. Assigned reserves are also being used to fund planned procurement of services and goods.

"One personnel-related cost that will impact both the County and Solid Waste Authority budgets is the proposed step increase for eligible County employees and a 2% cost of living increase to the County's pay scale effective July 1, 2015. At the same time, the state budget includes a 2% compensation increase for Constitutional Officers and their staff effective September 1, 2015.

"General Fund expenditure changes begin with Administration and Financial Management. The largest increase here is funding for the General Reassessment. The cost for this effort will be split between fiscal years 2016 and 2017. For fiscal year 2016, staff budgeted the cost at \$232,500.

"The increase in the Registrar's operations involves her anticipation of holding two additional elections in 2016: one in March and the other in June.

"For Public Safety, the major increase involves the planned expenditures for Sheriff's vehicles, which is up \$187,396 over current year. In addition, the Fire Services budget is up \$163,727 to support increases in contributions to the Volunteer Fire Departments; annual testing of Volunteer Fire Department equipment; contributions for the Regional Swift Water Team; plus funding of the Lexington Fire contract. Further, the Emergency Medical Services budget is up \$108,575 to support increases in

contributions to the Volunteer Rescue Squads and the funding of the Lexington Rescue contract. Lastly, the County is paying for the Volunteer Fire and Rescue agencies' financial audits for fiscal year 2015.

"The main increase in the Public Works category comes from higher tipping fees at the Solid Waste Authority's landfill. The County's share for the landfill is projected to cost an additional \$331,125. This increase is addressed in more detail during the Solid Waste Authority budget review. Also in this category, the County has budgeted for \$125,000 in renovations and upgrades at the County Administration Building.

"Community Development budget increases include accounting for higher funding support for the USDA payment on behalf of the Virginia Horse Center's debt service. The source of funds is the additional 1% Occupancy Tax. The USDA payment is projected to be \$607,500, higher by \$202,500 when compared to fiscal year 2015.

"The increase in the local support to the School Division represents a higher contribution to their debt service - up approximately \$416,000 - while the balance of the final VRS Supplement Transfer in 2016 is down \$34,000 from previous levels

"Revenues for the Landfill Fund, or Fund 19, reflect the Solid Waste Authority's plan to increase tipping fees over two budget cycles, from fiscal year 2014 levels of \$28 per ton to \$52 per ton in fiscal year 2016. This action is part of the local effort to offset borrowing on some of the construction and heavy equipment costs linked to the development of a future lined landfill, in addition to meeting the operational needs of the current and proposed solid waste budgets. As mentioned previously, the proposed fiscal year 2016 \$52 per ton tipping fee applies to Rockbridge County and the City of Lexington, as partners in building a surplus for the lined landfill project. The City of Buena Vista's [BV] tipping fee is proposed at \$37.59 per ton - which a rate intended to meet operational needs minus the projected surplus of \$498,805. Put another way, the \$37.59 per ton represents the \$1,506,554 operational budget divided by BV's anticipated, combined tonnage of 40,071 tons.

"One of the operational changes planned for the Landfill Fund is to move the supervision and cost accounting of the staffed collection center at the landfill to Fund 19. This activity is currently funded under the Recycling Program in Fund 20. This adjustment better integrates the management and operation activities of both the landfill and the staffed collection center under one function. We also plan to acquire two pieces of

heavy equipment: a dump truck and an excavator. Both planned acquisitions will replace machines which are currently beyond their anticipated life cycles.

"The other Solid Waste Authority budget is the Recycling Fund, or Fund 20. Staff is projecting an increase in the sale of recyclable materials in the upcoming fiscal year based on current revenue levels and additional opportunities at the landfill. The increase in locality refunds involves invoicing the Cities of Lexington and Buena Vista for their cost-share of the annual Household Hazardous Materials Collection Day, previously accounted for in the General Fund. Transfers from the General Fund to the Recycling Fund, which account for nearly 95% of Fund 20 revenues, are up approximately \$4,500 compared to last year.

"Aside from moving the landfill staffed collection center from Fund 20 to Fund 19, which reduced a portion of expenditures, the other notable changes include the planned procurements of a half-ton pick-up truck and a 24-foot enclosed education trailer.
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At the conclusion of the staff overview presentations, Chairman Higgins opened the public hearing. The following persons offered comment:

- Laura Harrawood, resident of Natural Bridge District and an employee of the School system, expressed significant concern regarding funding for reading at every level of the schools. She further expressed frustration that the Board of Supervisors and the School Board could not get along. She worried about keeping the best educators here in Rockbridge. Finally, she offered anecdotes about differing parent expectations on whether their children's futures should or could include staying in the county. She felt that in some cases these expectations could hurt student performance.
- Christie Zirkle, South River District resident, expressed her opinion as a concerned parent, noting that funding of schools should be a higher priority of the Board. She stated that the schools had received level funding for several years and expressed concern that dedicated teachers will leave the system if raises are not granted. She cited a reduction in services to children and possible loss of accreditation. She asked the Board to stop "playing politics with our children" and to trust the School Board.
- David McDaniel, parent and a resident of Natural Bridge District, and a member of the School Board, noted that \$617,000 is a lot of money, but that it would pay for summer school and after school reading programs as well as

three reading teachers and two special education teachers. He stated that the state budget only covers 65% of funding necessary for raises and warned that if the Board does not provide the match for raises we will lose \$111,000 in potential state funding. He also discussed higher health insurance costs and the impact they will have on school system employees. He said that the schools had cut 55 positions - mainly from the central office - over the past several years, and had donated two former facilities so that the County could market them. He noted that in the 13 surrounding school systems, we are 9th in pay rate. He stated that it does not appear that the Board would need to raise taxes to support the schools with 18 million dollars in reserves. He noted that if the Board chooses not to fund for the wrong reasons, it is not hurting the school board, rather it is hurting the children.

- Mary Ellen Carter, a non-resident teacher at RCHS, noted that the 480 school employees are taxpayers too. She indicated that her monthly paycheck is less and less each year. She noted that the teachers will do their best no matter what the Board decides, but that soon they will be doing less with less instead of more with less. She said that children are our best resource and that they are leaving the area.

- Sandra Hayslette, a Kerrs Creek resident with property in the Buffalo district, stated that this is the biggest crisis she has ever seen in her teaching career. She noted that the central office has lost 55 positions in the last several years and that 100% of her colleagues are making less than they did 5 years ago. She stated that the climate of testing is not helping matters and that the high school is in danger of losing accreditation. She stated that teaching is a passion, a calling, to which teachers contribute their personal funds. She cautioned that level funding does not support the goal of keeping quality teachers, who mentor younger teachers. She stated that she cautions younger teachers to watch their mobility and that most of our schools are listed as "in improvement." She noted that this is not the way to foster economic development. She closed by asking the Board to focus on what it can do, rather than what it can't, and that the latter sends a message of hopelessness.
- Linda Gorman, a Lexington resident who teaches in the County School system, advocated for teacher raises. She noted that she loves her job, but that teachers need help. She noted that many have two jobs to make ends meet and that a teacher should not have to struggle with income.

- John Repair of the Natural Bridge district noted that the Board should take a look at improving the audio visual equipment in the Board room. He then noted that he truly sympathizes with the teachers who had spoken before him who are losing take-home pay due to increasing healthcare costs; he specifically cited Ms. Harrawood as having had a strong positive influence on his daughter. He then noted that he also sympathizes with the Board of Supervisors and feels the need to rally behind Mr. Campbell's stance on requiring a clear budget from the Schools. He stated that even when a budget is eventually produced, it is very ambiguous and not comprehensible. He noted that citizens should be able to see the cost of education per child, in each school. He stated that if you can't understand something, you can't act on it.

Chairman Higgins asked if there was anyone else present who wished to speak. There were no other speakers. He closed the Public Hearing at 6:59 PM. He asked if there were any comments from the Board of Supervisors. There were none.

He then reiterated his appreciation for all who had expressed their opinions on the budget and again noted that the County's fiscal year 2016 Budget Adoption Meeting would be held on Wednesday, April 22nd at 6:00 P.M. in the Board meeting room.

Mr. Campbell moved to adjourn. Mr. Ford provided the second and the motion was approved by unanimous vote.