

AT A BUDGET MEETING OF THE BOARD OF SUPERVISORS OF ROCKBRIDGE COUNTY
VIRGINIA, HELD IN THE COUNTY ADMINISTRATION BUILDING,
150 SOUTH MAIN STREET LEXINGTON, VIRGINIA,
ON WEDNESDAY, FEBRUARY 22, 2017, AT 5:30 P.M.

PRESENT: CHAIRMAN D.W.HINTY, JR.
MEMBERS: R.R.CAMPBELL, R.S. FORD, A.W.LEWIS, JR.,
J.M.HIGGINS
CLERK TO BOARD: SPENCER H. SUTER
FINANCE DIRECTOR: STEVEN J. BOLSTER

Call to Order

Chairman Hinty called the meeting to order at 5:30 p.m.

County Administrator Spencer Suter began the presentation by reviewing the following information with the Board: "The budget document Steve will be going over is the result of a great deal of work over the past several months, by internal departments, constitutional officers, external agencies and the finance committee. As you'll hear from Mr. Bolster, we have seen some increases in many revenue lines, which is helpful, but as you'll see we still have challenges ahead. Before we get started in the detail, I want to note two major changes in the budget process this year. First, recall that typically, we receive the School Board's "official" estimate of need around the end of March each year. This year both Boards agreed that the School Division would submit an "unofficial" estimate of categorical need earlier in the process. We received their request last week. Second, and as you know, we are in the final stages of the real estate reassessment, which now occurs every six years. State law requires that the Board determine the impact the assessment has on overall real estate revenues. If the reassessment results in an overall increase in real estate revenue of more than 1%, a

public hearing must be held, if the Board wishes to increase the adjusted real estate tax rate. Additionally, the Board must hold its standard public hearing to consider the budget; these meeting must be separate public hearings. To put this into perspective, we have calculated the lowered tax rate of \$.69, which is a 4.5 cent drop from the current rate of \$.735. Should the Board wish to set the rate at anything more than .69 cents it will need to hold a public hearing. Additionally, I'll call attention to several operational changes in the budget this year:

- Based on our pending move to a regional solid waste authority with Lexington as a member, we have moved Fund 20 - Recycling Fund - into the former Refuse Pick-up budget within the General Fund and renamed the department, Refuse and Recycling Collections.
- We have moved special enforcement from the Public Works category into the Public Safety budget section
- We have melded the Emergency Management budget into the Fire and EMS administration budget.

In addition, our health insurance provider The Local Choice provided our FY 2018 premiums earlier this month. We typically receive this information in early March. As a result, staff updated the departmental budgets based on a 2.8% decrease in health insurance. The rate reduction is \$40,392 over across all entities covered under the County's health insurance group.

The draft budget Steve will be presenting is the result of several reviews by staff, and then the finance committee. We started with a gap between revenues and budget requests of more than \$2.6M. We have been able to cut that gap to a little over \$1.2M, via revenue forecast adjustments, budget

reductions, and usage of some reserves, which we will explain as we go through the budget. We also have numbers for 1 (County @ \$23,594 & RCSWA @ \$3,735), 2 (\$47,186 & \$\$7,871) and 3 (\$70,779 & \$11,806) percent compensation increase options for you to consider, which are not currently in the individual budgets. During their review, the finance committee cut where it felt necessary, but noted several areas where the members felt that the full Board would need to weigh in - we will review these as we go through individual budgets. At this point I'll note that many of the increases you'll see are due to contracted formulas. Examples are:

- Lexington Fire EMS contract +87K
- Regional Jail +200K (based on emergency housing needs - we simply don't have enough space)
- SPCA +13,700
- RARO +27K
- CSA +25K
- Revenue Sharing Agreement - +60K - due to increased real estate values.

In other areas, the County has made commitments which have budgetary impacts to both debt service and operations. Examples are:

- Phases 1 and 2 of the radio system implementation - Combined debt service of \$435K
- Constitutional Offices - salary adjustments from last year were implemented December 1. In FY2018 the full year cost is coming due \$59K

- Contracted Ambulance Transport service - Went to 12x7 in November -
\$53K

Also, there is a request for increased funding for Volunteer Fire and EMS \$237,000. With regard to requests, our internal departments have done well again, with many coming in below the current year budget numbers. Those with modest increases have done a good job of justifying their requests. Again, I'll reiterate that we are basing real estate tax revenues on a lowered or equalized tax rate of \$0.69 cents. We don't yet have anything firm from the state regarding potential increases for constitutional offices. Salary increases for County staff would be approximately \$25K per 1% of increase. I'd ask the board to strongly consider staff increases. With that, I'll turn the floor over to Steve to review the draft budget."

Mr. Bolster then reviewed the full draft budget with the Board, describing revenues and expenditures for each department and agency. At 8:05 PM, Chairman Hinty opened the Solid Waste Authority meeting. Mr. Bolster reviewed the budget with the SWA Board. At 8:15 Chairman Hinty closed the Solid Waste Authority.

After brief discussion, on a motion by Supervisor Higgins, with a second by Supervisor Lewis, the meeting was adjourned by unanimous vote.