



MINUTES

BEDFORD COUNTY BOARD OF SUPERVISORS

BEDFORD COUNTY ADMINISTRATION BUILDING

MARCH 2, 2015

5:00 P.M. BUDGET WORK SESSION

1. Nursing Home Fund
2. Vehicle Replacement Fund
3. Law Library Fund
4. General Assembly Update
 - a. Aid to Localities
 - b. Employee Compensation
5. Health Insurance
6. Fund Balance Trend
7. Discretionary Revenue
8. Updated Draft General Fund Summary
9. CIP-General Fund
10. Advertisement for Tax Rate and Public Hearing
11. Other Budget-related Matters
12. Adjourn to March 9 Meeting

Board of Supervisors: Chairman Tammy Parker – District 7; Vice-Chairman Steve Wilkerson – District 3; Bill Thomasson, District 1; Curry Martin, District 2; John Sharp, District 4; Steve Arrington, District 5 and Annie Pollard, District 6

Staff Present: County Administrator Mark K. Reeter, County Attorney Carl Boggess, Fiscal Management Director Susan Crawford, Accountant Ashley Anderson, Public Works Director Sheldon Cash, Community Development Director Gregg Zody, E-911 Manager Jeff Johnson, Registrar Barbara

Gunter, Director of Social Services Andy Crawford, Nursing Home Administrator Toni Pierce, Captain Kevin Adams and Executive Assistant Brigitte Luckett

Chairman Parker called the meeting to order and then turned it over to Mr. Reeter, who gave a brief overview of the evening's agenda.

The discussion then began with a review of the Nursing Home Fund, with Ms. Pierce explaining that residents are assessed differently by Medicaid beginning this year, which affects how the Nursing Home is funded. At this point, it is difficult to determine what is needed in the budget since we are not yet certain how much will be reimbursed by Medicaid and the reimbursements will change based on the residents 90-day assessments. Ms. Pierce said she is also working on obtaining funding in the amount of \$637,000.00 outside of the County's budget, which will be part of an intergovernmental transfer. Ms. Crawford noted that this could become a yearly funding stream.

There followed a brief question and answer session regarding the Nursing Home between Ms. Crawford, Ms. Pierce and members of the Board.

Mr. Cash then gave his overview of the Vehicle Replacement Fund, touching briefly on the County fleet, vehicle maintenance and needed replacements. He noted that the Sheriff's Office needs ten new vehicles, while the Department of Social Services needs one. In response to a question from Supervisor Wilkerson, Mr. Cash stated reusable vehicles are shifted to other departments in need. However, because we tend to use our vehicles until they are no longer viable we also sell many of them as surplus on GovDeals.com. At the request of Supervisor Martin, Mr. Cash said he would look into extended warranties for fleet vehicles; however, due to the nature of the vehicle's use (police pursuit, K-9, etc.), Mr. Cash was not sure the County would be able to qualify. Mr. Arrington reiterated his stance for pressing the State to allow the County to collect a special fee to pay for vehicles or special projects.

Mr. Reeter moved the discussion on to the Law Library Fund, explaining the funds were used to maintain the Courthouse's law library and is mandated by State law. In response to a question from Supervisor Wilkerson, Attorney Boggess stated that the revenue for this fund comes from civil court case fees. He then gave a brief review of the General Assembly update, which included an additional \$106,000.00 from the 'Aid to Localities' fund and the elimination of the yearly payment back to the State. Mr. Reeter said he does not yet have details on employee compensation, but it looks like it will probably be approximately 2% for State and Constitutional Officer's employees, and 1.5% for teachers. Ms. Crawford noted that a 2% raise has been proposed for all County employees effective September 1, 2015, with a placeholder in the General Fund for \$340,000.00. However, once the reimbursement from the State is taken into account, this amount is lowered to \$227,400.00.

Ms. Crawford stated that because the Sheriff's deputies are already paid more than the Compensation Board rate, they will not need to be brought up to a new rate but will receive the 2% raise like all other employees. She said the General Assembly has provided funds for the State's share of a 1.5% salary increase for funded SOQ, instructional and support positions. A 1.5% raise for all school employees is approximately \$909,000.00, with the State's portion being \$477,000.00; this makes the local portion for a 1.5% raise for all school employees approximately \$432,000.00.

Mr. Reeter stated that he is anticipating a fairly small health insurance increase of approximately 4.4%, which is \$129,000.00 less than originally proposed for this budget. He said that no changes are being proposed to the employee contribution rates. Supervisor Pollard asked what would happen if the County reached out to the schools to come back under the insurance plan with us. Ms. Crawford said it would depend on how the plan was structured. In response to a question from Supervisor Thomasson, Ms. Crawford said staff is trying to negotiate the 4.4% rate even lower.

Ms. Crawford then gave an update on Fund Balance, Discretionary Revenue and a General Fund Summary. She explained where Discretionary revenues come from and stated that this category had increased \$1,470,000.00 between years. She said the increase includes \$240,000.00 in real property taxes, \$95,000.00 in public service property taxes, \$700,000.00 increase in personal property taxes, \$100,000.00 in delinquent collections penalty and interest and \$260,000.00 in sales tax. In response to a question from Supervisor Arrington, Ms. Crawford said she does not know how much longer the County will receive funding through PPTRA, since this is an issue that is decided at the State level. There followed a brief question and answer session between the Board and Ms. Crawford regarding these figures.

Ms. Crawford then reviewed changes to the General Fund Summary, which included \$25,000.00 in recovered costs for the Nursing home; \$106,000.00 from the elimination of the 'Aid to the Commonwealth'; \$5,800.00 in various department expenditures (due to something having been left out of the original budget proposal); \$16,400.00 from moving the Recreation Department maintenance out of the Recreation budget and putting it in the Maintenance budget (all other buildings are already maintained under the Maintenance budget); \$112,600.00 from the savings on raises based on what the General Assembly approved (includes the \$3,600.00 for the deputies re-grade); \$129,000.00 from savings realized (from our original estimate) in the lower health insurance increase. Ms. Crawford said this puts the County in the black at \$366,800.00.

Vice-Chairman Wilkerson asked that the Board address the requests in the budget for charitable donations. He stated that in his business, he makes donations he considers to be relevant to his community. However, with the exception of the request from the Smith Mountain Lake Association (which is a one-time request and would be beneficial to economic development in that area), he feels that

charitable donations with funds that were collected as taxes is not a proper use of taxpayer funds. Supervisor Wilkerson said there is nothing wrong with these organizations, but he does not favor donating funds that were collected through taxation. There followed a brief discussion between staff and the Board regarding new funding requests in the budget. The Board reached a consensus to approve the requests for the Smith Mountain Lake request, CopSync for the Sheriff's Office and expenses for personal protective gear for Fire & Rescue, but not additional School Resource Officers for the Sheriff's Office or the requests for charitable funding from Blue Ridge Legal Services, Feeding America or Roanoke Area Ministries.

Ms. Crawford said that, based on the consensus just reached by the Board, the bottom line is now \$784,241.00 in the General Fund.

The Board then briefly recessed to the conference room at 6:46 p.m. for dinner.

At 7:12 p.m. the Board resumed their budget review. In response to a question from Supervisor Pollard, Ms. Crawford explained the increases in Fire & Rescue were due to increases in personnel, repairs for career medic trucks, supplies for medic trucks and increases in local vehicle equipment. The increased salary was due to a position being filled by an internal transfer.

Supervisor Pollard stated that a couple of volunteers have complained they are not getting toned out because the career staff is running the calls. Jeff Johnson, E-911 Manager, responded that volunteers and career staff are both always toned out, and that the calls never just go to career staff. Mr. Johnson said there is then communication between the volunteer and career crews so they don't both arrive at a scene. Supervisor Pollard said the volunteers may be concerned about this due to the insurance reimbursement.

Supervisor Pollard asked Ms. Crawford to include details on what has been collected through insurance with the checks that are sent to the volunteer departments.

In response to a question from Chairman Parker, Mr. Cash said the increase in mechanical repairs for the Courthouse was due to the aging HVAC system. Mr. Cash said Masters Engineers will also be coming through the Administration Building later this month to evaluate changes in the building's structural integrity since their last assessment.

There followed a brief discussion between staff and members of the Board clarifying specific line items in the proposed budget regarding Social Services, Human Resources, Economic Development and Tourism. Mr. Reeter noted that the additional \$10,000.00 in Tourism would be used to hire a consultant to assist with the development of a tourism plan for the County. Chairman Parker said that she felt this request should be removed from the budget; the County recently hired a Tourism Director that she feels should be capable of developing a tourism plan without bringing in someone from outside the County. Mr. Reeter replied that a consultant would assist with research and information gathering for the plan, and

suggested the Board could remove this as a line item, but that staff may come back in the future with a funding request for a consultant. The Board came to a consensus to remove this line item and move the funds to Contingency, with the understanding that it may come back later as a funding request for Tourism.

Ms. Crawford moved on to an overview of the CIP-General Fund. Barbara Gunter, Registrar, confirmed that the County's share of the cost for the upcoming Republican primary would cost \$25,800.00, but these funds will come out of the current fiscal year, not the proposed budget before the Board this evening.

Supervisor Pollard stated she would like to see unallocated funds go into the CIP for use toward the construction of the new Middle School.

Supervisor Arrington asked that staff look over facility issues County-wide to assist the Board in allocating funds where they are most needed. Mr. Cash said he and Mr. Reeter have already discussed having a company come in to assess County facilities needs (roofs, HVAC systems, etc.) to determine what the major needs are; Supervisor Arrington said he would like to see these needs in a prioritized order. Supervisor Thomasson agreed that we need to keep on top of building maintenance. Mr. Reeter said we have the funds to hire a company to assess the building needs; it's not possible to know at this point how much the needed repairs will cost. Supervisor Sharp said demolition costs and market values should be included in the assessments.

Ms. Crawford then summarized the conversation by stating that if we take the \$400,000.00 which will be left out of the current reassessment project, plus the un-appropriated \$63,000.00 that was transferred to the General Fund this year, plus the \$54,782.00 still not appropriated to specific project, and finally add the \$12,500.00 more to the reassessment so it's \$225,000.00 per year, the Board is left with \$505,855.00 that isn't designated to a project. The consensus was to leave these funds shown as 'to be determined' in the Capital Improvements Plan.

With regard to advertising the public hearing for the tax rate and the proposed budget, Attorney Boggess said that the County will not have any significant additional revenue from the reassessment, so we will only need to hold a standard public hearing on these issues. After a brief discussion, the Board directed staff to research possible venues for the public hearing on the tax rate, and to cancel the work session scheduled for March 9th.

There being no further items to discuss, the Board adjourned at 8:17 p.m.