

MEETING #11 – February 14

At a Budget Workshop Meeting of the Madison County Board of Supervisors on February 14, 2013 at 8:30 a.m. in the Thrift Road Complex located at 302 Thrift Road:

PRESENT: J. Dave Allen, Chairman
Doris G. Lackey, Vice-Chair
Jerry J. Butler, Member
Pete Elliott, Member
Jonathon Weakley, Member
Ernie Hoch, County Administrator
V. R. Shackelford, III, County Attorney
Phillip Tartaglia, Finance Director

ABSENT: Jacqueline S. Frye, Clerk of the Board

1. Budget Workshop Agenda

Chairman Allen called the meeting to order and noted that all members are present and a quorum was established.

Chairman Allen advised the County Administrator will have to leave today's session at 9:15 a.m.

2. Pledge of Allegiance & Moment of Silence

The Board of Supervisors commenced their meeting with the Pledge of Allegiance and a [moment of silence](#).

3. Adopt Agenda

Chairman Allen asked if there were any changes to today's agenda and there were none.

On motion of Supervisor Weakley, seconded by Supervisor Lackey, the Agenda is adopted as presented, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

4. Agenda Items:

a. Budget Discussions:

The County Administrator provided an overview of key points for review.

In closing, he advised the main issues of concern are:



- a) The two percent (2%) wage increase for County employees (there is no inclusion in today's document for employee wages);
- b) The proposed healthcare cost increase (an update will be provided as per discussions with healthcare company representatives);
- c) Whether the Board would like to include additional funding for County employees regarding the proposed healthcare cost increase;
- d) The school system's budget request;

The County Administrator advised that Nan Coppedge will be coming today to provide input on the request presented on behalf of the Madison Boys' & Girls' Club.

Healthcare Insurance

Supervisor Butler asked if there has been any investigation regarding the Central Virginia Jail's insurance program and whether the County can join, to which it was reported hasn't yet been researched.

The County Administrator provided an overview of the County's current insurance coverage (which includes the school system), and the concept involved pertaining to percentages; the broker serves as a liaison to the insurance company to provide resources pertaining to claims and benefits; there was discussion about the County separating from the school system, but this would ultimately increase costs; multiple options are available and a formal bid option will be prepared and submitted for joint and single coverage for comparison. In closing, he advised that representatives from BB&T have offered to come discuss concerns and provide information to employees.

The County Administrator advised the increase could range from eight percent (8%) to twelve percent (12%); there is currently no contract in place with the brokers; he feels there are better healthcare plans that can be offered with a range of deductible amounts.

Supervisor Elliott asked what would be eliminated if the above referenced option was offered, to which the County Administrator advised that funding could be utilized from the contingency fund or funds earmarked in the capital fund.

Chairman Allen advised the County will first need to determine exactly what will be proposed and what amount of funding will be provided to the school system.

The County Administrator advised the school's revenue and variance between now and last year is about \$200,000.00.

Madison Boys' & Girls' Club

Nan Coppedge was present on behalf of the Madison Boys' & Girls' Club; she brought brochures for the Board to review and provided a brief overview regarding the funding increase being sought.



The Board questioned the percentage received from fundraising and what is the average attendance for the program.

Ms. Coppedge advised that she will relay today's concerns onto her Board for advisement and review.

County Issues

Chairman Allen advised that during the initial meetings, the Board verbalized its intention not to proceed with proposed salary increases.

Discussions continued regarding various percentages for salary increases and healthcare, and what would be more advantageous to personnel. Concerns were also relayed regarding the Board's intent to keep taxes low.

Discussions was also brought forth regarding the contingency fund, the general fund, and the fact the County implemented bi-annual tax collections in the past as a way to offset the need to increase taxes.

Chairman Allen also advised the County does have some flexibility in the contingency fund and salary increases can be implemented without increasing County taxes.

It was also relayed that funding can be earmarked for the purchase of school buses.

The Board recessed for five (5) minutes*

Chairman Allen called for a recess

Chairman Allen advised the County will need to advertise a tax rate based on a maximum increase – the equalized rate must be within one percent (1%) which is \$340,000.00.

The County Administrator provided an overview of options pertaining to the healthcare increase and proposed salary increase for personnel.

Supervisor Elliott feels that providing assistance with healthcare will be better received by the citizens than a salary increase for personnel.

The County Administrator advised that in some companies, if an employee opts out of participating in the healthcare plan, they are allocated a portion of the dividend; however, he feels that if healthier employees elect this option, it may cause those who are less health to cancel their policy in an effort to receive the dividend and thereby cause group rates to increase overall.

The County Administrator advised of the funding that he has earmarked in the contingency fund for the following purposes: a) \$118,000 for the jail; b) \$60,000 for accumulated leave; c) \$120,000.00 for the sheriff's department; d) \$250,000.00 for capital items; and e) \$200,000.00 relocation of offices; which leaves about \$358,000.00 available in undesignated funds.

Supervisor Elliott advised that the jail is now taking prisoners from Culpeper County, which will increase the revenue for the facility.



The County Administrator advised that he will provide information for the Board regarding the relocation of offices to review.

Supervisor Lackey questioned the decrease in rent for the social services office, to which the County Administrator advised this issue is still being addressed and he doesn't anticipate a resolution for another thirty (30) to sixty (60) days.

The Finance Director provided a schedule of salary and benefits for County staff.

Lewis Jenkins, Director of Emergency Medical Services, was present and advised that most employees would be in favor of a salary increase and a percentage to cover the increased healthcare costs.

The County Administrator advised that a three percent (3%) salary increase and healthcare assistance will be an asset and will actually equate to a one percent (1%) salary increase overall.

Supervisor Lackey asked about the analysis of a pay/classification study, as this process may provide different numbers than what's being discussed today; she also feels the County should be more conservative and build the contingency fund.

Chairman Allen doesn't feel the County will be able to offset guidelines the State and federal government impose; therefore, he questioned whether it would be safe to provide a two percent (2%) salary increase to the school system and County personnel and an acceptable amount towards healthcare with available funds.

Supervisor Weakley questioned how other localities may be dealing with the unfunded mandates during their budget processes.

Supervisor Elliott questioned what will transpire if some employees elect to opt out of having insurance coverage.

The County Administrator advised that healthcare being offered must be 'affordable' – healthcare credits are provided for those on the lower end of the pay scale, but those with a higher income will actually pay more.

After discussion:

Chairman Allen was in favor of the salary increase;

Supervisor Elliott was in favor an increase in insurance of up to eight percent (8%);

Supervisor Butler was in favor of either, but preferred an increase in insurance by ten percent (10%);

Supervisor Lackey was in favor of an increase in insurance by seven percent (7%);

Supervisor Weakley was in favor of an increase in insurance up to ten percent (10%).

The County Administrator advised that a proposed increase of ten percent (10%) in healthcare costs for the County and school personnel will cost about \$171,000.00 (with \$125,000.00 for the school system).



Chairman Allen advised the County will need to advertise the budget on March 28, 2013 and a public hearing will need to be scheduled on the equalized rate and the tax rate on March 25, 2013; the public hearing is scheduled for April 9, 2013.

In lieu of the fact that no resolution has yet been reached, Chairman Allen asked if the Board would like to schedule an additional meeting in order to discuss today's concerns in further detail.

Concerns were verbalized regarding: a) a future hardship if buses aren't purchased; b) the benefit of moving forward with a centralized accounting system; and c) the land use program.

Lewis Jenkins, Director of Emergency Medical Services, was present to inquire about the proposed salary increase and grade change for departmental personnel. In closing, he advised of the difficulty in finding personnel that are fully certified.

Suggestions were made to provide a five percent (5%) increase during the first half of the year and the remaining amount at the end of the year, and if an adjustment is given now, will another request be brought forth for additional emergency personnel.

After continued discussions, it was the consensus of the Board to move forward with the proposed adjustments for EMS personnel.

The County Administrator advised he will implement adjustments and provide finalized figures.

Rappahannock Regional Juvenile Detention Center

The County Administrator advised the justification on the increase was due to an increase in numbers and the True up amount.

Madison County Volunteer Rescue Squad

The County Administrator advised that a draft agreement will be implemented for review and consideration. In closing, he advised that monies are in place, but are subject upon the county agreeing to the MOU.

Chairman Allen advised that in speaking with Mr. Grayson, he advised the squad would not agree to give the County the building, but would agree to grant the County right of refusal and will agree to return any money to the County that was used to include interest.

Germanna Community College

Supervisor Butler asked if there was any input as to whether the request is based on population.

After discussion, it was suggested that no action be determined until an explanation can be received from the college.



Madison Extension Office

The County Administrator advised he hasn't fully investigated this concern, but will do so shortly.

Emergency Preparedness

The County Administrator advised the employee has requested an increase in work hours; concerns were verbalized as to whether this will interfere with his retirement benefits and healthcare.

The County Administrator advised there is an option to deny healthcare; however, if the employee elects to take the insurance coverage, this must be granted.

Rappahannock Rapidan Community Services Board

Supervisor Butler advised there are concerns about having a mental health provider for Madison County; however, Mr. Duncan has advised in the past that the RRCSB doesn't have the necessary funding to employ a provider. In closing, he advised these services are needed when the Sheriff's Department needs someone to provide this service.

Supervisor Lackey advised that RRCSB offers additional services along with mental health services.

In closing, the County Administrator was instructed to advise Mr. Duncan to attend a future budget workshop session.

Central Virginia Regional Jail

Chairman Allen advised the jail has their first budget draft in place which shows a 4.5% increase – the County's contribution will actually be a bit less than anticipated (6.81%). Also, the Superintendent would like to add some community service positions by offering inmate work forces (on a rotating basis) to the participating jurisdictions at a cost of about \$100,000.00 to the jail's budget, which will actually be paid for by the localities that contribute to the jail. With many changes based on liability, the Superintendent has requested the inmates not work on concrete.

Healthcare

Supervisor Lackey questioned the proposed change in healthcare costs for the part-time clerical employee in the Commonwealth Attorney's Office.

The County Administrator advised that departments will need to be notified that staff will not be able to work over thirty (30) hours in the future if the department is unable to cover the cost of providing health insurance.

The County Administrator advised the Department of Social Services failed to plug in numbers for health insurance for the seventeen (17) employees.

Final points

The County Administrator advised he is working on getting final numbers from VACO regarding the line of duty costs. Also, accumulate leave has been incorporated into the



Sheriff's budget and this can be implemented into each departmental budget if the Board desires; numbers will also be need to be included in the budget for the employees who will be unemployed next year.

The County Administrator advised there will also be increased costs from the Compensation Board.

Supervisor Butler asked if the increase will be passed along to the County or the employee.

Supervisor Weakley asked if the County could decrease the healthcare costs to offset the proposed State increase for Constitutional Offices.

The County Administrator advised the County may be required to provide an increase for the Constitutional Officers, as some positions are funded above what the Compensation Board allows.

Chairman Allen advised there is a guideline that applies to the Treasurer and Commission that indicate the State and locality will fund half and the State would agree to pick up any future increases. At the current time, both positions are paid ninety percent (90%) by the State. Also, there is a section that denotes the Compensation will set salaries; therefore, he is unsure if the County will have any leeway on this issue.

Chairman Allen asked the County Administrator to breakdown the school's budget for review by categories.

Supervisor Butler asked about revenue received from the rental of school property, where the funds go that are received for athletics, and if these funds can be used to offset the cost of the bleachers.

The County Administrator advised the aforementioned funds aren't actually a part of the school's budget; although these funds are deposited through the County's Treasurer's Office, the school system has several different fund accounts.

b. Information/Correspondence (if any)

None.

c. Adjournment

With no further action being required, on motion of Supervisor Lackey seconded by Supervisor Weakley, Chairman Allen adjourned the meeting, with the following vote recorded:

J. Dave Allen	Aye
Doris G. Lackey	Aye
Jerry J. Butler	Aye
Pete J. Elliott	Aye
Jonathon Weakley	Aye

Jacqueline S. Frye, Clerk of the Board



Adopted On: April 9, 2013
Copies: J. Dave Allen, Doris G. Lackey, Jerry J. Butler, Pete J. Elliott, Jonathon Weakley,
V. R. Shackelford, III & Constitutional Officers

