

## MEETING #11 February 18

At a Budget Workshop Session of the Madison County Board of Supervisors on February 18, 2014 at 5:00 p.m. in the Thrift Road Complex located at 302 Thrift Road:

PRESENT: Doris G. Lackey, Chair  
R. Clay Jackson, Vice-Chair  
Jonathon Weakley, Member  
Robert W. Campbell, Member  
R. Clay Jackson, Member  
Kevin McGhee, Member  
V. R. Shackelford, III, County Attorney  
Ernest C. Hoch, County Administrator  
Leo Tayamen, Finance Director

ABSENT: Jacqueline S. Frye, Deputy Clerk

### **Agenda:**

#### **1. Call to Order/Determine Presence of a Quorum**

#### **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. Adoption of Agenda**

Chairman Lackey called for adoption of today's Agenda.

Supervisor Jackson moved to adopt today's Agenda, seconded by Supervisor McGhee, with the following vote recorded:

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Aye
Robert Campbell	Aye
Kevin McGhee	Aye

The County Administrator introduced Mr. Leo Tayamen, as the County's new Finance Director.

The County Administrator advised an attempt will be made to get the financial claim documents in order for the February Workshop Session.

Chairman Lackey advised tonight's session will either adjourn, recess or continue in order to allow anyone wishing to pay respects to the Jenkins' Family.

#### **4. Agenda Items:**

##### **a. Budget Discussions:**

The County Administrator advised that tonight's budget document has been tweaked just a bit from what was presented at the last work session; the school numbers have been included in tonight's version which indicates a negative amount (-\$235,000.00), based on the County's budget being balanced and the school system's request for \$535,000.00 in new funding (\$300,000.00 from rollover funds).

Budget numbers on tonight's sheet should indicate \$54,631.616.00, which is based on the last budgetary presentation.

##### **School System:**

In the school's proposed request, they've listed:

- One support worker
- One teacher
- VRS increase
- A six percent [6%] increase for health insurance
- Special educational funds
- PBL Program Funds
- Dual enrollment funds
- High School books
- Three [3] school buses
- A one percent (1%) increase for staff (across the board) totaling \$124,000.00

The original school request included:

- A Nurse
- Three [3] teachers
- A para-professional
- A two percent (2%) increase
- Increased bus runs
- New phone system
- A reduction in healthcare costs
- PBL Grant
- Special educational funds.

The County Administrator advised the main changes during discussions has revolved around whether or not to support the school system's proposed increases (i.e. salary), as the County's proposed budget doesn't include any employee increases.

The County's contingency fund has \$749,071.00 on hold with the following holds:

- \$200,000.00 (County move)
- \$100,000.00 (CSA)
- Undesignated funding is used to balance the County's budget
- \$100,000.00 (salary study)
- \$60,000.00 (accumulated leave)
- \$80,000.00 (County's share of the enhanced E911 grant)
- \$150,000.00 (EMD Grant)

The County Administrator advised the negative amount referenced (-\$235,000.00) can be made up by reducing some of the aforementioned funding place holders denoted in the contingency fund or additional budgetary cuts can be implemented.

Concerns were verbalized by Supervisor Campbell and Supervisor Weakley regarding proposed increases and whether there's a consensus pertaining to the proposed increase noted for the school system (i.e. salary increases).

Supervisor Campbell verbalized concerns pertaining to the CIP and the contract for the Clerk of the Works; he suggested numbers in the budget be cut instead of initiating additions.

#### **Constitutional Officers:**

The House/Senate currently have two (2) bills in place for salary increases for the Constitutional Officers; if a two percent increase is provided, the County will not be required to pay certain constitutional office personnel so long as their current salary is equal to what they're actually getting. Due to the fact the County may not be required to implement any raises (for some Constitutional officers, the additional state funding may be used to offset some of the unfunded mandates that are being imposed (upon the County). In the past, if the County gave its employees a raise of one percent (1%), all constitutional offices were also getting the increase, excluding what action the comp board undertook. There are five (5) constitutional officers who weren't allotted a raise many times in the past because they were at or close to 100% funding – they were awarded a three percent (3%) increase by the State last year when County employees received a two percent (2%) increase; the County doesn't receive full compensation for raises or fringe benefits for the constitutional officers.

It was advised if the comp board provides an increase to the constitutional officers, the County will not have to provide any type of increase if certain positions are at their full max.

It was also questioned if any additional state funding could possibly be placed in the County's contingency fund.

#### **Joint Meeting (School & County)**

At the recent joint meeting (with the School System), the County advised of the possibility of funding \$600,000.00 to the school system; it was suggested the County possibly deduct \$124,000.00 from the total funding allocated to the school system; a

two cents tax increase will be needed in order to provide the school with the funding amount they're requested.

**Health Insurance:**

The County Administrator advised that final numbers won't be available until the end of February; once received, he'll assess whether six percent (6%) is an accurate estimated increase (\$30,000.00).

**Miscellaneous:**

- a. Supervisor Campbell advised that cuts must be implemented; he isn't in favor of providing additional funding in any areas; feels it isn't mandatory for the County to increase the VRS for school employees - employees can provide a portion which can be matched by the school system.
- b. Supervisor McGhee advised he was in favor of keeping things "flat."

The County Administrator advised there was a mandate that employees must put five percent (5%) into VRS; funds are separate for the school and County; the County's required amount decreased, but the school's system's required amount increased; the County is mandated to pay a specific amount into VRS.

- c. Supervisor Weakley advised he was in favor of parity; if the school system employees receive a one percent (1%) increase and this doesn't transpire for County employees, this will not be favorable.
- d. Chairman Lackey advised that school employees should be made aware there is additional funding being put into their VRS package which is a part of their benefits package.

The County Administrator advised additional areas where slight reductions can be made (i.e. Madison County Volunteer Rescue Squad); also, the budget can be balanced by not providing the school system the funding they're requesting or implementing a two cents tax increase.

The County Administrator advised the County has moved forward in bits (i.e. slight tax rate increases); the CPI is up; the tax rate will need to be adjusted in order for the County to keep up with the cost of expenses, as there are many needs here as a result of items being deferred over periods of time (i.e. facilities).

Supervisor Campbell provided a list of several items that he suggested be cut to include:

- Public television
- Postage
- Health/life insurance
- Office equipment (chairs)
- Facilities/Maintenance

The County Administrator advised the majority of County departments turn in leftover funding at the end of each budget year.

Chairman Lackey verbalized concerns about the capital fund and the contingency fund, as she doesn't want to see these balances be spent on general operations, but for specific needs; she advised the County's largest expenses include:

- The CVRJ
- Social Services/CSA
- Law Enforcement

The County Administrator advised that some of the costs associated with the Sheriff's department are controllable (i.e. overtime); the County must ensure the school system, human services and public safety services are operating as efficiently and effectively as possible.

Supervisor Jackson questioned the increase in group life insurance (13.09%), to which the County Administrator advised is mandated by VRS.

Several of the departmental budgets are actually below last years' figures (i.e. Treasurer, Commissioner)

**Rapidan Better Housing:**

This request was \$7,000.00 – it was reduced to \$5,000.00. A letter was provided to explain the types of services they provide to the citizens of Madison County.

**General Discussion:**

Chairman Lackey advised favor of approving the proposed budget and imposing a two cents tax increase.

Supervisor McGhee advised he was in favor of approving the budget with a 1.5 cent tax increase, with the other half percent being taken from the contingency fund; the proposed tax rate can be advertised a little higher and allow for some positive flexibility.

The County Administrator advised the Board will need to advertise a tax rate by March 24<sup>th</sup>; a two cents tax increase could be advertised – the Board could adopt a lower rate if desired, but not a higher rate than what's advertised; he anticipates the number will be more accurate by March when insurance numbers will be in place; the County can cut the school's budget request by \$124,000.00, if desired, but this will not prevent the school system from providing a raise to their staff.

Supervisor Campbell verbalized concerns that citizens will not be in favor of a tax increase after the recent salary increase noted in the County Administrator's employment contract.

Supervisor Jackson concurred with the suggestions made by Supervisor McGhee.

The County Administrator advised if the County approves the budget the school system requested, without utilizing any contingency funding, it'll include being in favor of the staff getting a one percent increase (1%).

Supervisor McGhee advised he wasn't in favor of ignoring parity (between school and County employees), and would still be in favor of searching for targeted increases within the budget.

The County Administrator advised there's \$169,000.00 in the contingency fund that isn't designated at this time, and there are still a few adjustment that can be made to the revenue denoted within the current proposed budget; the real estate taxes have increases slightly in the past and it's anticipated that slight increases will continue.

Supervisor Campbell explained the only way he'd support any tax increase would be solely based on the need of the improvements to the school facilities, excluding any salary or other budgetary increases for school employees.

The County Administrator advised that funds will be placed in the CIP fund; building this fund will provide the County with a cash option to pay off the loan as opposed to additional borrowing or refinancing in the future.

Supervisor Weakley suggested \$124,000.00 be removed from the school's budget increase solely due to concerns of parity; he'd also like to see if funding set aside for the County move can be removed from the contingency fund to support some of the school's request; suggested the County advertise for a two cents tax increase, but would be in favor of approving a one cent tax increase and pull the funding set aside for undesignated accumulated leave.

The County Administrator explained the funding set aside for the proposed County move is actually a placeholder; discussions will be needed to assess where County offices will be located in the next twenty (20) years; he'd like to see the Board address the following:

- Relocate all administration operations to one building (preferably the Administration Center);
- Electoral Board and/or local non-profit agencies (Thrift Road);
- E911 Center (Social Services building);
- Old ABC Building can be marketed for sale;
- Revenue received from the sale of the Old ABC Building can be used to make improvements after the County move (Administrative Center)'

Discussions continued amongst the Board regarding viable relocation space (i.e. War Memorial Building) and whether there is a location available in which to house all County operations.

Chairman Lackey questioned if there is something the Board can do to assist Skyline CAP with the additional budget request (\$25,000.00) to fund a salary increase for the Head Start Program teachers.

It has also been advised by the school system that in order to house the Head Start Program inside the primary school, an expansion will be required; it was also reported that Skyline CAP is looking to increase salaries for Head Start teachers (due to extensive turnover). Also, it was felt that a significant amount of funding will be needed in order to 'co-join' the school's program and the Head State Program

(i.e. additional space and staff), which is thought to be more than \$25,000.00, which is the amount of additional funding being requested by Skyline CAP.

Dr. Eberhardt has advised of plans to contact other school districts to see how they work with their Head Start Programs. The programs offered in other localities work diligently to provide housing subsidy, rental assistance, counseling, handicap assess, and they pair with other organizations to assist citizens.

**Madison County Chamber of Commerce:**

Chairman Lackey verbalized concerns about allocating \$60,000.00 annually to the Madison Chamber of Commerce; doesn't feel the County should be subsidizing businesses; feels the County should hire Ms. Gardner as the County's Tourism Director and Assistant Economic Development Director and give her the salary she's currently making, along with benefits – the Chamber's funding can be cut to \$10,000.00 to cover the rent for the building.

Additional concerns were as follows:

- If the bulk of funding (provided to the Chamber) pays Ms. Gardner's salary
- Does the Chamber provide a monthly report (to the County)
- Whether Ms. Gardner should be designated as a County employee
- Whether TOT funding can be used to pay a portion of Ms. Gardner's salary
- The County shouldn't fund any organization that supports private enterprise

The County Administrator advised the Chamber wouldn't survive in the County if the funding provided (from the County) was terminated; he advised there are a few other localities that do provide funding to their local Chamber office.

It was reported that Culpeper County's Chamber Office funds other organizations and doesn't receive any funding from the locality in order to operate.

Additional items discussed included:

- The amount of funding (\$800,000.00) the County pays to the regional jail to house local prisoners
- Would it be possible to investigate actual costs and/or the possibility of renting space elsewhere to house local prisoners (i.e. Albemarle, Culpeper)
- In closing, it was advised that if the County is going to look at the most efficient/productive use of local funds, more open mindedness must be implemented from this point forward.

Discussions also focused on:

- A possible increase for personal property taxes
- Whether to re-initiated taxing on farm machinery
- Increasing the motor vehicle tax

The County Administrator suggested the Board come to a conclusion as to what will transpire with the school system. He advised the numbers will not be more concrete

until the first part of March; the Board will also need to decide specifically where cuts and/or increases can be initiated.

Chairman Lackey advised there appears to be a consensus among the Board regarding:

- County budget being as tight as it can
- The donation to the volunteer rescue squad
- School's funding request
- Imposing a two cents tax increase

It was also noted that if a two cents tax increase is imposed in order to fund the schools request, input will be received from the public during the public hearing process.

The County Administrator advised the County can impose a one cent tax increase on real estate and a ten cents tax increase on personal property, if desired, in order to fund the school system's budgetary request.

Supervisor McGhee verbalized concerns (based on parity) about withholding funding from the school if they're planning to provide a salary increase for staff; he feels the recent joint meeting was a good faith effort between both governing Boards.

The County Administrator advised rollover funds at the end of the last budget year; however, he also suggested the school system be encouraged to show ways in which they are checking the numbers.

It was also reported the school system usually keeps one teacher, a bus driver and a cafeteria worker just in case; there are wide gaps of unspent funding noted within their budget.

Supervisor Campbell questioned the debt service (\$711,000.00) taken from the school's budget and moved to the County.

The County Administrator advised this funding was moved into the County's debt service live item; the State doesn't look at debt service to determine the composite index; also it appears the school system is underestimating their anticipated revenue; he questioned if the school system ever looked into outsourcing school buses.

Discussions continued regarding:

- Stimulus funding received (by the school system) in the past
- Whether staff hired with stimulus funding were advised of this factor

- One third of the teacher's VRS pension is paid by the State (school is requesting an additional \$300,000.00 for this purpose);
- School's funding could be further reduced if the Board doesn't agree to a proposed tax increase;

Supervisor Weakley advised there are many unanswered questions pertaining to the school's four year old program. Although he was in support of decreasing the school's funding request by \$124,000.00, he hopes the County can do something to assist Skyline CAP. In the past, it appears the school's request for funding 'for the children' has generally equated to salary increases for all staff members instead. In closing, he feels the County can work on closing salary gaps in increments, or the Board can elect to do nothing at all.

The County Administrator advised he can balance the budget in the event \$124,000.00 is deducted from the school's budget request; he also recommended the County consider a small tax increase to help with the County's reserves. Also, an additional compromise could be to decrease the rollover funding (from \$235,000.00) to \$160,000.00, which would be justification to impose and consider a one cent tax increase for the County.

Supervisor Weakley advised if any type of salary increase is being proposed, this will result in an automatic budget increase each year thereafter.

*\*Supervisor Weakley departed the meeting process at 7:00 p.m.\**

The County Administrator informed the Superintendent the Board doesn't plan to provide a salary increase for County personnel; the Superintendent wants to impose a one cent salary increase for school staff. He also advised that whatever the Board decides tonight will be referred onto the school system for advisement and information.

The budget schedule from will continues as follows:

- March/April: Advertisement of the proposed FY2015 budget and tax levy
- April: Public hearing on proposed FY2015 budget & adoption
- **\*Tax rate must be adopted by April 15, 2014\***
- June: Approval & appropriation of FY2015 budget

The following concerns were verbalized regarding:

- No increase in the school's enrollment numbers
- The additional costs for the school's VRS fees
- The funding cost/percentage for teachers (over the past few years)
- The funding cost/percentage for administration (over the past few years)

The County Administrator advised the school was allotted a 5.26% increase over the previous year; this year, the increase will be close to the same percentage increase in local funding.

Supervisor Campbell verbalized concerns regarding the debt service. The County Administrator explained the noted aforementioned debt is from the school system; the County does have some debt for the E911 equipment and the law enforcement vehicles; he also advised the debt service is a responsibility of the County, as the County pledged the funding for the schools.

The County Administrator also noted the school's budget didn't decrease because of the change in placement of the debt service. Although the school system has the same amount of expenses, the debt service is noted as a capital expense. In closing, he referred to past school renovations which are almost paid in full, but additional maintenance will still be required on these facilities.

Chairman Lackey called for any additional recommended changes besides what was discussed tonight regarding directions to be provided to the school system.

In regards to the request for additional funding provided from Skyline CAP, Supervisor McGhee advised he'd prefer to hear a proposal from the school system and Skyline CAP before making any type of recommendation.

The County Administrator advised the grant for Skyline CAP funds (198) children in this region; gestures were made regarding closing the program here and diverting the money to school systems in other areas. He questioned whether the aforementioned suggestion would be a wise investment of the funding; he feels the school system should take the lead on this issue and look for a viable solution (i.e. the school's program is half a day – the Head Start Program runs all day).

Chairman Lackey advised the programs in several other localities have merged by way of MOU's; it was advised the Principal of the Madison Primary School would be in charge of Skyline CAP's employees if the students are moved into the school.

The County Administrator advised he will continue to implement some changes and provide an updated budget document shortly.

It was advised the storm water management program issues haven't yet been resolved in the General Assembly; it's assumed the session will continue for another couple of weeks; additional changes to Medicare are also still being addressed, which may reduce costs for social services.

**Additional information:**

A joint meeting with the planning commission has been scheduled for tomorrow (2/19/14) at 5:30 p.m. in the auditorium to discuss the future size of the commission; a meeting at the Madison Farm Bureau will also be held tomorrow at 1:00 p.m.

The February Workshop Session will be held on Tuesday, February 25<sup>th</sup> at 6:00 p.m. at the Thrift Road Complex.

**Economic Development - Tourism Summit:**

The County Administrator advised the economic tourism summit has been rescheduled for April 2, 2014 from 12:00 p.m. to 5:00 p.m. at Early Mountain Vineyards.

**Closing Highlights:**

Chairman Lackey asked if the Board would like to adjourn the March Regular Meeting and go into a budget workshop session afterwards.

The County Administrator suggested the Board wait to see exactly what concerns will need to be addressed.

**b. Information/Correspondence (if any)**

**Administrator's Employment Agreement:** Chairman Lackey provided a memorandum for review; she also advised all members there may be something in the newspaper about the County Administrator's contract agreement.

**Goals/Objectives:** Chairman Lackey asked all members to assess what the Board wants to collectively address (i.e. goals/objectives) for the rest of the year besides routine items – feels there will be several things of interest to discuss after the tourism summit is complete.

**Meals Tax Rate:** Discussions continued regarding the meals tax rate charged in Rappahannock County; it was advised that Madison County doesn't receive the same type of clientele as those who travel to the Inn at Little Washington to dine.

**Tourism/Economic Development:** The County Administrator advised that Plow & Hearth is seeking to expand and changes are in the works for Yoder's; the hotel study will need to be initiated; he feels the upcoming tourism summit will offer some insight as to what will be most beneficial for the County.

**Bylaws:** Chairman Lackey advised the existing bylaws notes that although citizens are allowed to speak as they'd like of respective Board members, they may not do so in a business meeting; the bylaws also denote that 'everyone must refrain from making personal attacks on people', which she feels needs to be enforced. From this point forward, every effort will be made to enforce the guideline; she suggested that a 'sergeant at arms' may need to be appointed to escort anyone from the meeting setting in the event they refuse to 'cease' from the aforementioned actions.

**Miscellaneous:** Supervisor Campbell advised the Board unanimously approved the minutes of the January 2014 Organizational meeting; in that meeting, the Board approved a motion to follow the parliamentary procedures as denoted in Robert's Rules of Order (11<sup>th</sup> Edition), and would not use the bylaws or code of ethics, as these would be addressed at an upcoming workshop session.

Chairman Lackey explained it's her understanding the County Attorney advised that until the current Board changed the bylaws or re-adopts the existing bylaws, the Board can continue under the guidelines denoted in the existing bylaws.

Supervisor Campbell strongly suggested the Board establish rules and follow procedures continuously regarding any issue presented before the Board.

Discussions continued pertaining to the recent closed session segment of a meeting.

**c. Public Comment:**

None.

**d. Adjournment**

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

Doris G. Lackey	Aye
R. Clay Jackson	Aye
Jonathon Weakley	Absent
Robert Campbell	Aye
Kevin McGhee	Aye

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Doris G. Lackey, Chairman  
Madison County Board of Supervisors

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Clerk of the Board of Madison County Board Supervisors

Adopted on: April 8, 2014

Copies: Doris G. Lackey, R. Clay Jackson, Jonathon Weakley, Robert Campbell, Kevin McGhee, V. R. Shackelford, III & Constitutional Officers

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**Agenda**  
**Continued Meeting of the**  
**Madison County Board of Supervisors**  
**Tuesday, February 18, 2014 at 5:00 p.m.**  
**Budget Workshop Session**  
**302 Thrift Road, Madison, Virginia 22727**



**Agenda**

1. Call to Order
- 2. *Pledge of Allegiance & Moment of Silence***
3. Determine Presence of a Quorum/Adoption of Agenda
4. Agenda Items:
  - a. Budget Discussions
  - b. Information/Correspondence (if any)
  - c. Public Comment
  - d. Adjournment