MEETING#12– February 20

At a Budget Work Session of the Madison County Board of Supervisors at 5:00 p.m. on February 20, 2015 at the Madison County Fire hall Lounge Room located at 1223 N. Main Street:

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

1. Call to Order

Chairman Lackey called the meeting to order.

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. Determine Presence of a Quorum/Adoption of Agenda

Chairman Lackey advised that a quorum was present.

Chairman Lackey asked if the Board would like to:

a) Take the big ticket items (i.e. school, jail, salary increases) first and then with the rest of the budget
b) A closed session may be needed in order to discuss salary adjustments
c) Proceed page by page of the proposed FY2016 budget

It was noted the Board had previously agreed to assess numbers for the school, regional jail, and proceed with salary discussion at the end of the budget process.

Further discussions focused on:

- No input from the State (proposed salary increases for school personnel)
- No input on healthcare costs

After discussion, Supervisor Jackson moved to approve the Agenda, as amended, to include a closed session to discuss issues pertaining to personnel, seconded by Supervisor McGhee. *Ayes: Lackey, Jackson, Weakley, Campbell, McGhee. Nays (0).*

The County Administrator provided an overview of the techniques in order to balance the budget (i.e. reduction in contingency and the CIP fund); budget is balanced based on the numbers provided, contingent upon approval by the Board.

4: Agenda Items:
Budget Discussions*:*
The County Administrator advised the school's budget request of $392,741.00 (increase from last year) for the FY2016 budget, as included within the proposed budget (including healthcare costs). It was noted if the State provides funding, the requested figure will be decreased, or the Board could agree to provide less funding.

Budget highlights:

- ✓ Five percent (5%) is included in the FY2016 budget for the County's healthcare (figures should be received shortly)
- ✓ Step adjustment ($43,000.00)
- ✓ COLA (1.5% = $50,000.00)
- ✓ Jail Increase: $255,000.00
- ✓ School: $392,000.00
- ✓ Healthcare: $24,000.00
- ✓ New truck (Animal Control)

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- ✓ Skyline CAP
- ✓ Madison County Library

Economic Development (increase of $50,000.00) [net effect from Tourism and Ms. Gardner's position]
**County will no longer make a payment to the Chamber; created a new budget* ($50,000.00 in new money that will come from the TOT fund and will increase the County's budget)*

- ✓ Central Virginia Partnership ($6,700.00 [per diem (not yet approved)– they're asking for $10,000.00]
- ✓ Homeless Prevention Grant (County's portion [through PD9])
- ✓ Crisis Intervention Team (through PD9)
- ✓ Increased debt service

The County Administrator noted that:

- ✓ $250,000.00 (removed from the CIP)
- ✓ $489,000.00 (from contingency)
- ✓ $65,000.00 (from CVRJ capital fund)
- ✓ Inclusion for step adjustments (from $100.00 to about 2% [$43,000.00])
- ✓ COLA (1.5% across the Board [$93,000.00]

Revenue:

- ✓ Projections are a little less than 1% of last year's amount (over actuals)
- ✓ Real Estate Taxes: $5,200,000.00 collected in December 2014
- ✓ Anticipated real estate taxes to be collected in June 2015 will be about the same

The County Administrator advised the budget balances (excluding payroll increases totaling $98,000.00); if COLA and step increases are provided, the budget will balance within $4,000.00 to the positive.

Commissioner:

The County Administrator advised that revenue from the Commissioner's Office is noted as 'budget neutral' and not as a 'revenue gainer'; further discussions will be needed with the Commissioner on this matter. The Commissioner has decided to utilize "clean to average" values – this will lower the assessed value of all the cars and trucks weighing under 7,500 lbs., and will require the rate to be adjusted in for the County to receive the same amount of revenue as in the past. The adjustment to the rate will not affect new vehicles; however, computations will be needed in order to assess how older vehicles will be affected. Projections provided by the Commissioner were provided for discussion.

Additional highlights:

- ✓ Value changes when older vehicles are replaced with newer ones
- ✓ Most citizens only look at the value and not the tax rate being imposed
- ✓ The baseline is different than in the past year
- ✓ Growth and variance in the rate will need to be researched
- ✓ Revenue line item for personal property and decal costs are in noted in the proposed budget

If the Board plans to initiate a tax increase, all information must be in place in order to meet the advertising schedule in April 2015; FY2016 budget will need to be adopted following the public hearing; appropriation can be done during the June 2015 meeting.
CIP Transfers:
The County Administrator advised that:

- ✓ Transfer wasn't initiated in the FY2014 Budget – was done by the accountants at the end
- ✓ Funding set aside ($250,000.00) for the CIP fund
- ✓ If a line item transfer isn't done next year, the funds could be spent on something else
- ✓ Above referenced funding ($250,000.00) will go towards the regional jail next year

Salary Adjustments:

- ✓ Line item for adjusted salaries include 'step adjustment' and 1.5% COLA ($98,000.00)
- ✓ Full range adjustments ($175,000.00 increase)If the funding noted for adjusted salaries is the lesser of the two proposed adjustments
- ✓ Adjustments were made for some positions (COLA and step) that were different than what was recommended
- ✓ County spending will be decreased ($250,000.00 from contingency)

- ✓ Additional changes in the contingency fund will involve:

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- ✓ Removal of funding for all County/facility moves
- ✓ $100,000 designated for CSA
- ✓ $98,000.00 to remain as 'undesignated' (i.e. accumulated leave, overtime, etc.)
- ✓ Funding set aside for accumulated leave will decreased – there's a cap (i.e. thirty days) on what can be paid to employees when they leave

School System:
Comments focused on:
- ➢ Funding requested to hire a new teacher
- ➢ Current request is $392,741.00
- ➢ Whether the State will provide additional revenue to the school
- ➢ Discussions focused on whether the State will provide additional revenue to the school system

Comments from the Board:

- ➢ Supervisor Weakley: Would like to verify funding for the new computers; feels if the State picks up the funding, this will allow the possibility of filling the two (2) teaching vacancies; if the State doesn't provide funding, it's uncertain that the County can meet all the needs of the school systems; wouldn't be able to support one of the two requested positions.

- ➢ Supervisor Jackson: The County doesn't know if the State will provide funding to the school system ($50,000.00); feels the school system has conservatively budgeted for healthcare; it's uncertain if the figures will be more.

After discussion, it was recommended (by the Board's liaisons to the school system) that the County provide $340,000.00 to the school system in the event the State doesn't allocate funding (i.e. $50,000.00) and healthcare costs are increased beyond what the school predicts.

Further concerns noted focused on:
- ✓ The school has some staffing issues
- ✓ A major part of the school's budget goes toward salaries
- ✓ A 1.5% raise is listed in category 1000 ($83,000.00 [includes a new teacher and a contingent position
- ✓ School system shows attrition based on the 1.5%, $750,000.00, and an additional $100,000.00)

After discussion, it was the consensus of the Board to establish agreement with the funding amount of $340,000.00.

Regional Jail:
The County Administrator provided input on the current payment to the jail totaling $573,943.00. Additional highlights:
- ✓ Input on the jail budget submitted was at $1,100,000.00 (received in December 2014)

- ✓ Option #1 showed a funding amount of $747,101.00
- ✓ Option #2 was received as $626,000.00
- ✓ Option #3 showed a recommended funding amount of $829,796.00 (a $255,000.00 increase over last year's funding for the County [45% increase])
- ✓ Regional jail budget increased from $9,300,000.00 to almost $13,000,000.00
- ✓ Original budget was proposed for $13,300,000.00
- ✓ Regional jail used $2,200,000.00 of their fund balance instead of the recommended amount of $1,250,000.00
- ✓ Overall affect to taxpayers will be $500,000.00 next year
- ✓ Projections haven't been provided for FY2014
- ✓ Jail is looking to hire twenty-nine (29) new employees (due to the expansion)
- ✓ Jail looking to fill about ten (10) unfilled positions
- ✓ 8.5% noted for healthcare
- ✓ 2.5% salary increase noted for all jail employees

During past discussion with the jail, it was noted that additional funding would be needed for the capital fund; the County spent additional funding this year for that purpose; there was no discussion about operational expenses increasing. It was also noted the Jail Superintendent has projected the State will pick up eleven (11)

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positions for eight (8) months – it's anticipated that eleven (11) positions will be covered for twelve (12) months, which will lower the numbers just a bit.

Additional highlights:

- ✓ It's felt the County has overpaid to the jail down through the years
- ✓ The jail will be using quite a bit of the fund balance
- ✓ Comp Board funding may only provide eighty percent (80%) of what the jail will actually cost the County

The Jail Superintendent provided input regarding the prison population; the County had thirty (30) inmates yesterday; there are still seventy (70) federal prisoners housed in the facility.

It's felt the only way the County will be able to manage the contribution to the jail is if the Jail Board approves a more reasonable budget; it appears the vote for a more reasonable budget is now '6 to 5' – Madison and Greene County representatives are now in agreement with the Jail's proposal, with the majority of the remaining members being in favor of the alternate budget.

Comments from the Board:

- ➢ Chairman Lackey: Advised she has been in contact with supervisors from the other participating localities and all are very concerned about the jail's numbers and management; commented on issues regarding Option #1 (original proposed jail budget), Option #2 and Option #3 (contained a $1,000,000.00 increase); feels that now is an opportunity for the localities to move forward to get the jail running the way it was incorporated to operate; audits show the facility has operated with a profit.
- ➢ Supervisor McGhee: Advised he attended a recent meeting and felt that Madison County wasn't well presented by the committee; he felt the only viable option appeared to be in favor of the jail; feels the numbers provided are conservative and that budgeting is low on revenues and high on expenditures.
- ➢ Supervisor Campbell: Commented on statistical reports concerning average yearly costs per inmate; based on statistics, it would cost the County in excess of $3,400,000.00 annually (excluding transportation) to house local inmates.

The County Administrator noted the County's daily cost per inmate will be at $76.00 per day if the jails proposed budget is adopted; the County currently pays fifty-seven percent (57%) of the jails overall cost; an additional forty percent (40%) is being funded through other sources (i.e. State/federal); it's felt the actual cost of a prisoner is well over $100.00 per day.

Additional highlights focused on:

- ✓ County's average inmate population is thirty (30)
- ✓ At least five percent (5%) of taxpayers' dollars is used to support the regional jail
- ✓ County will have to increase taxes or take funds from elsewhere to support the regional jail
- ✓ Percentage of tax dollars used to support the regional jail (5%)
- ✓ Many agencies are doing good things
- ✓ Funding earned at the jail should be placed into the capital fund
- ✓ The Jail Board has the authority to borrow funding, with permission from the participating localities
- ✓ The Jail Board received a unanimous vote from all participating localities to move forward with the existing expansion
- ✓ Discussions on daily cost for Culpeper prisoners to be housed at the regional jail
- ✓ Costs for training new jail staff

Animal Control:
Proposed purchase of a new vehicle (for an ACO)
Skyline CAP:
Proposed request for $19,000.00 is for wages/benefits
E911 Radio Equipment:
Fees for the replacement of operational equipment
Library:
Agreement for proposed funding request
Transfer Station:
Fees for wood chipping
DEQ regulations will require the County to chip annually
County offers two (2) free brush drop offs annually
Revenue is received at the landfill

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Kemper Mansion (Roof): Roof needs to be repainted
Regional Housing/Homeless Prevention: Program plans to establish places to house the homeless in the County. It was noted the program manages grant funding for a five-County region; the shelter in Orange County will be closing due to loss of funding; a grant (for a five-County region) to assist with providing shelter for the homeless; the Orange County Shelter will be closed due to loss of funding. Documentation provided showed a breakdown of how funding is allocated (for the participating localities) and the specifics of the position.
Central Virginia Economic Partnership: Consensus to invite the representative to attend a future budget work session. It was noted the representative is trying to get the partnership's Board to agree to a 'per capita' fee ($6,700.00 for Madison County) instead of the proposal for $10,000.00.
OAR: Representatives will be asked to attend a budget work session.
Revenue: Funding is received twice annually.
Merchant's Capital: Revenue received once annually and is budgeted the same. There is no auditor in the Commissioner's Office to enforce the tax received from dealerships. It was suggested the Board review initiating a BPOL tax.
Restaurant Food Tax: Figures noted for FY2014 is the actual dollars taken during the year; the same figure is noted in the FY2016 budget. The County Administrator noted that some of the tax amounts are a big lagged; a slight increase is anticipated; projections could increase.
TOT: Transfer line item to take funds from 'restricted' to the general fund for economic development/tourism. The County's TOT fund line item shows $50,381.00 – amount is projected the same for FY2016.
General Fund: Rent noted as payment from the Blue Ridge Task Force; contract just started this year – there is no prior revenue from the previous year.
PRA: All PRA revenue is noted as 'budgeted revenue' ($173,000.00); expense sheet notes a balanced budget for PRA.

Supervisor Campbell verbalized concerns over PRA numbers; doesn't feel that all appropriated funding isn't from youth sports programs, and is coming from the general fund.

The County Administrator questioned what additional information will be needed in order to answer today's concern; funding being supplemented back to the PRA is funding they've taken in that actually goes through the County, and in turn, is supplemented back.

Comments from the Board focused on:

- Scrutiny concerning PRA supplemental requests.
- Process by which PRA pays staff (full and part time)
- Reconciling process (Treasurer & PRA)
- Funding provided by the County

Calendar:
After discussion, it was the consensus of the Board to continue with the proposed Budget Calendar, and implement changes as necessary.

Sound System/Auditorium: Future discussion on these items will be placed on the agenda for discussion at a future workshop session; funding is available to accomplish these requests during the FY2015 budget year.

Facilities Improvements: It was suggested the Board move some fund balance in order to accomplish some goals for facilities improvement; there is funding within the CIP. It was suggested the County decide on the future of Criglersville Elementary School and allocate some funding aside.

2. Adjournment
With no further action being required by the Board, on motion of Supervisor Jackson, seconded by Supervisor Weakley, Chairman Lackey adjourned the meeting. *Ayes: Lackey, Jackson, Weakley, Campbell, McGhee. Nays: (0).*

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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 14, 2015
Copies: Doris G. Lackey, R. Clay Jackson, Jonathon Weakley, Robert Campbell, Kevin McGhee, V. R. Shackelford, III & Constitutional Officers

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Budget Workshop Agenda
Madison County Board of Supervisors
Friday, February 20, 2015 at 5:00 p.m.
Madison County Firehouse Lounge Room
1223 N. Main Street
Madison, Virginia 22727

Agenda Items

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

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