

**VIRGINIA:**

A FY 2017 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Monday, May 2, 2016.

Members Present: William R. Lee, Chair  
Ernest W. Palin, Jr., Vice Chair  
F.W. Jenkins, Jr., Board Member  
Jason D. Bellows, Board Member  
B. Wally Beauchamp, Board Member

Staff Present: Frank A. Pleva, County Administrator  
Don G. Gill, Planning and Land Use Director  
Crystal Whay, Building/Land Use Secretary

Mr. Lee called the meeting to order at 5:30 p.m.

**BUDGET CONSIDERATION**

Mr. Pleva stated that the Board had received the initial budget numbers and the hard copy requests from the various organizations and departments requesting money for the upcoming fiscal year. He stated that what the members had at the present time was not a balanced budget, but included all of the updated numbers on both the revenue and expenditure side.

Treasurer Bonnie Haynie stated that there is also an updated assessment amount from the Commissioner of the Revenue.

Mr. Pleva stated that he and Mrs. Haynie would like some direction from the Board on the boat tax, other taxes and expenditures. He stated that there may be some departments that the Board wants to fully fund as requested. He referred to last year's budget and stated the only new non-government organization that was funded last year was Dreamfields and everyone else was level funded.

Mr. Bellows asked if the budget before them reflected funding everything.

Mrs. Haynie replied yes, with the boat tax still in, but the second page shows the amounts if the boat tax was phased out.

Mr. Pleva stated that it was Mr. Beauchamp's suggestion that at least the commercial watermens' boat taxes be removed and that amount was approximately \$5,000. He stated the commercial workboat and farm equipment taxes are approximately \$25,000 combined. He stated that the rest of the taxes on the boats, not currently exempt, is \$306,000.

Mrs. Haynie stated that the budget deficit was \$886,063 at the present time, if the boat tax and farm equipment tax is removed. She further stated that currently the budget deficit is \$561,063.

Mr. Jenkins stated that he would like for Mr. Pleva to take the year to date figures in the current budget and adjust them to take out of consideration the teacher salaries that will accrue over into the next year, because that slants the first look. He stated that he would like Whitney Barrack, Finance Director, Lancaster School System, to give them an estimate of her payroll at the end of June, including the carryover.

Mr. Pleva stated that there was a consensus to eliminate the commercial workboat and farm equipment tax. He asked if there was also a consensus to eliminate the rest of the boat tax.

There was a consensus to eliminate the boat tax.

Mr. Bellows asked when was the last reassessment.

Mrs. Haynie replied that the last reassessment was effective in 2013. She stated that according to Sonny Thomas, Commissioner of the Revenue, the real estate taxes have increased this year by \$400,000 at the current rate.

Mr. Pleva went through the budget line by line.

Mr. Pleva stated that the information for the constitutional officers came from the comp board.

Mr. Pleva referred to the machinery and tool revenues and stated that the County only receives approximately \$4,300.

Mr. Bellows asked if Mr. Pleva could get some information on what businesses pay the machinery and tool tax.

Mr. Pleva replied yes.

Mr. Bellows asked about the tax rates for personal property.

Mrs. Haynie replied that personal property vehicles tax rate is \$2.04 and all other rates are \$1.52. She stated that merchants capital is \$1.00.

Mr. Pleva stated that there are other sources of revenue like permit fees, but they are not increasing because they are tied to the state of the economy.

Mr. Lee asked about the jail reimbursement.

Mr. Pleva replied that the reimbursement is based on the number of days for state prisoners only.

Mr. Lee stated that it looked like there would only be an approximate increase of \$16,000 over last year from the state.

Mrs. Haynie replied yes.

Mr. Bellows asked if the County's composite index changed this year.

Mrs. Haynie replied that she had not heard anything about a change.

Mr. Jenkins stated that it should have changed a little because of the reassessments.

Mr. Pleva continued to review the revenue side of the budget.

Mr. Pleva referred to page 14 and stated that the expenditures portion started there. He stated that salaries and benefits make up the biggest increases in most of the departments. He stated that the two percent increase in salaries is reflected in the budget. He stated that VRS is down. He stated that it is recalculated every year. He stated that there was also a new item-the cyber risk liability insurance program. He stated that some localities are implementing this in case of stolen records. He stated that it was optional and the Board could decide either way.

Mr. Lee asked about the health insurance rate.

Mr. Pleva replied that this year was the lowest increase in health insurance rates in probably ten to fifteen years. He stated that this year's increase was around four percent. He explained the two Local Choice insurance plans.

Mr. Bellows asked if the County paid one hundred percent of either plan.

Mr. Pleva stated that the County pays eighty percent of the individual plan and the County's contribution covers the high deductible plan in full.

Mr. Beauchamp asked about the life insurance line item.

Mrs. Haynie replied that was the County's portion of the employee life insurance policies through VRS.

Mr. Jenkins referred to item #12210-County Attorney and stated that the figure for FY17 needs to be adjusted because it is not realistic.

Mr. Bellows stated that he would suggest \$150,000 for that line item.

Mr. Jenkins stated that it really needed to be looked at, considering the year to date figure of \$142,716.

Mr. Beauchamp referred to item #12510-Information Technology Services and stated that it was his understanding from Mr. Rowe that he was looking for another email provider and it would probably be a couple of thousand dollars more. He asked if that was included in the draft.

Mr. Pleva replied that he was not sure and would check with Mr. Rowe.

Mr. Pleva stated that the Sheriff has two parts, which is law enforcement and the jail. He stated that Sheriff McCranie gets some money from the comp board for being a jailor.

Mr. Bellows stated that it was his understanding that most of Sheriff McCranie's increases are not additional requests, but a reflection of actual spending from prior years.

Mr. Lee suggested a finance committee meeting with Sheriff McCranie to discuss his budget and make sure he knows that the Board does not think he has overbudgeted.

Mr. Pleva stated that he would schedule that meeting before the next work session.

There was discussion on the Sheriff's Office expenditures.

Mr. Bellows stated that the school system puts school buses on the Capital Improvement Budget and wanted to know if the Sheriff's Office could do the same with their vehicles.

Mr. Pleva stated that he had seen counties do it different ways.

Mr. Jenkins stated that he did not understand why all new equipment, such as lights, had to be purchased everytime a new vehicle is bought.

Mr. Beauchamp stated that he would like to know more about the possible request for another bailiff and that he had heard rumors that the new judges are requesting one.

Mr. Pleva stated that it would be nice to see that request in writing and it is not reflected in the draft budget.

Mr. Lee stated that he would like to address the overtime figures as well.

Mr. Beauchamp stated that he knew Sheriff McCranie wanted to manage the overtime costs better than had been done in the past.

Mr. Jenkins stated that he would like more information on the Chesterfield County Med Flight request and wanted to know what other localities were doing.

Mr. Pleva referred to the County Rescue Squad and stated that the finance committee may want to meet with Chief McGregor as well to discuss his budget. He stated that the biggest increases in that department are personnel costs, followed by a software request.

Mr. Jenkins asked Mr. Pleva to arrange for both the Sheriff and the EMS Chief to meet with the Finance Committee before the next work session.

Mr. Pleva referred to the Jail category and stated that the state pays approximately forty percent of the overall costs. He stated that medical services and food are big costs for all jails.

Mr. Pleva referred to the Building Department category and stated that the Building Inspector position is vacant at the present time, so totals are down in that department.

Mr. Pleva referred to the Animal Control Department and stated that department consisted of one full-time and one part-time person.

Mr. Lee suggested breaking out the part-time salary from the full-time for a better understanding of those totals.

Mr. Pleva stated that the Health Department budget is based on a funding formula and each locality pays a share of the raises and benefits.

Mr. Pleva referred to the Northern Neck Middlesex Free Health Clinic and stated that they are asking for an increase of over \$24,000 this year.

Mr. Beauchamp stated that he has always heard that the Director, Ms. Jeanne Nelson, does an outstanding job at the clinic, but he has heard some complaints about the amount of her salary.

Mr. Lee stated that her salary should be found in the annual report and he could find out that information. He stated that sometimes that information can hurt fundraising efforts.

Mr. Pleva stated that the Boys and Girls Club is asking for a \$5,000 increase this year.

Mr. Pleva referred to the Lancaster County Chamber of Commerce and stated that the County had been giving a \$500 contribution annually, but it was more last year because money was given to help with the parade. He suggested a \$1200 contribution this year to take care of the parade request and have a more accurate accounting of what is actually given to the Chamber. There was a consensus for this decision. Mr. Jenkins stated that he would like the categories broken out from what is paid for operations and what is paid for parades, etc. in the same cost center.

Mr. Pleva referred to page 37 and stated there is a request for funds from the Northern Neck Food Bank. He stated that last year, their request was not granted.

Mr. Jenkins stated that he wanted to wait and see what the school system was going to do concerning the summer meals program that Ms. Dudley of the Northern Neck Food Bank had spoken about.

Mr. Pleva stated that he would show a zero for that category. He stated that Steve Parker, Lancaster County Schools Superintendent, was going to attend the work session to discuss the issue, but had a conflict.

Mr. Jenkins stated that he would like to hear from Mr. Parker on the subject.

There was some discussion about different budget request numbers from the Northern Neck Food Bank.

Mr. Pleva referred to the Dahlgren Heritage Museum and asked if that could be taken out.

Mr. Beauchamp stated that he had reservations about taking that item out of the budget. He stated that the Dahlgren Heritage Museum wants to reopen the visitor center on Route 301. He stated that it was a major attraction until its closing about five years ago and it may help with tourism in the Northern Neck. He stated that he would like to find out more information and he knew that several localities have received requests.

Mr. Pleva referred to the Extension Office and stated that the local funds request for this year is \$51,000, which is a decrease of about \$10,000 from last year. He stated that he would ask about the change.

Mr. Pleva finished going over the budget and Don Gill, Planning and Land Use Director, stated that he had copies to give to the Board of all of the supporting documentation for the Capital Improvement Budget that was recently approved by the Planning Commission.

There was discussion about when the finance committee could meet.

The date for the next work session was set for Tuesday, May 10<sup>th</sup> at 5:30 p.m.

Mr. Lee stated that he was on the School Facilities Committee and wanted to give everyone an update. He stated that they have visited schools in Virginia Beach, Richmond and Northumberland County. He stated that they decided last Friday to get proposals for architectural services. He stated that they are still in the information gathering phase, but wanted the Board to know what was going on.

**ADJOURNMENT**

Motion was made by Mr. Beauchamp to adjourn the meeting to Tuesday, May 10, 2016.

VOTE:	William R. Lee	Aye
	Ernest W. Palin, Jr.	Aye
	F. W. Jenkins, Jr.	Aye
	Jason D. Bellows	Aye
	B. Wally Beauchamp	Aye