

VIRGINIA:

A FY 2016 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 4, 2015.

- Members Present: Jason D. Bellows, Chair
Ernest W. Palin, Jr., Vice Chair
F. W. Jenkins, Jr., Board Member
William R. Lee, Board Member
B. Wally Beauchamp, Board Member
- Staff Present: Frank A. Pleva, County Administrator
Don G. Gill, Planning/Land Use Director
Crystal Whay, Building/Land Use Secretary

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

BUDGET CONSIDERATION

Emergency Medical Services

Chief McGregor stated that the budget, as proposed, includes level or reduced funding for all of the discretionary categories in the paid rescue services budget. He stated that the expense categories have been reallocated to more accurately reflect where the money is being spent. He stated that there is a requested increase in all of the payroll categories to reflect the actual cost of service. He stated that the reason for the increase falls mostly within the part-time and over-time expenses. He stated that the department has increased the amount of hours of coverage. He stated that total increase for paid rescue services was \$58,932, which is a 1.2 percent increase over 2014. He referred to the emergency services communications and stated that there was a small increase of \$2,880. He stated that the total amount for paid emergency services is \$965,001.

Virginia Cooperative Extension

Mrs. Tara Brent stated that her department is requesting level funding for FY 2016. She stated that the total request was \$61,147. She thanked the Board for their continued support.

Lancaster County Community Library

Ms. Lindsay Gardner of the Community Library stated that she had information in folders for the Board that describes the capital project that is underway for the new library facility. She stated that they have made great progress on the fund raising campaign and are planning to start construction in June. She stated that they are planning to open the new library by March or April 2016. She stated that she is requesting level funding for the library this year.

Lancaster County Circuit Court

Mrs. Diane Mumford, Clerk of the Circuit Court, stated that she was requesting a temporary, one-time increase of \$4,000 for part-time salaries. She stated that she had two staff members retiring, so she would like to be able to hire and train someone in October and then start them with the state salary at the beginning of 2016. She stated that she was also requesting a small increase in postage.

Boys and Girls Club of the Northern Neck

Mr. Thomas Hemans, Vice President of the Boys and Girls Club of the Northern Neck, thanked the Board for their past support and stated that the number of children that they serve is growing. He stated that they are requesting \$55,000 for FY 2016.

Mr. Phillip Mumford, Executive Director of the Boys and Girls Club of the Northern Neck, thanked the Board and stated that they were able to hire an additional staff member with the extra funds they had received from the County last year. He stated that their daily number of children has increased a great deal over the last year.

Sheriff's Department

Sheriff Ronnie Crockett stated that he had been in front of the Board for 32 years to ask for funds to help the Sheriff's Department and the Board has been very gracious. He stated that he has enjoyed working with everyone and is retiring at the end of the year. He stated that he is requesting level funding for this year's budget. He stated that he hoped the Board would consider approving the new emergency communications system request that is before them, because it is really needed.

Social Services

Mrs. Edna Davenport, Director of Social Services, stated that Mr. Charles Lee, a Social Services Board Member, would also like to speak to the Board. She stated that the programs her department is responsible for are state mandated programs. She stated that they administer programs such as Medicaid and food stamps and also have Child and Adult Protective Services. She stated that they have struggled over the last five years to maintain staff. She stated that her department serves as a training ground, where employees are hired, trained and then move on to higher paying jobs elsewhere.

Mr. Charles Lee, a Social Services Board Member, stated that he had been on the board for about three years and he has noticed that the department continues to hire people and has become a training program for other jurisdictions. He stated that he had personally contacted ten other jurisdictions and found out that the starting salary in Lancaster County is below everyone else in the surrounding area. He stated that the department needed additional funds for better salaries.

Middle Peninsula Northern Neck Community Services Board

Mr. Charles Walsh, Jr., Executive Director of the Middle Peninsula Northern Neck Community Services Board, stated that his organization is requesting level funding this year, however, if the County has it in their budget, they would appreciate more. He stated that the dollars they receive are a little over \$34,000. He referred to the chart in the handout and stated that for the \$34,000 that is received, the County receives forty-eight times that in the value of the psychiatric services that are provided for the citizens of Lancaster County. He further stated that 71 Lancaster County residents are employed by his organization.

Mr. Walsh stated that they are facing some financial challenges and may need to close some programs and downsize.

Town of Kilmarnock-Tourism and Regional Branding

Mrs. Susan Cockrell stated that the Town of Kilmarnock along with Middlesex County in partnership with Lancaster County has been working on economic development through tourism and regional branding. She stated that in the last several months they have been working on the creation of the brand. She stated that the primary target audience are people in Richmond, Northern Virginia and Hampton Roads. She stated that she was requesting level funding for FY 2016 and thanked the Board for their past support.

Rappahannock Legal Services

Ms. Ann Kloeckner, Executive Director of Rappahannock Legal Services, stated that they were asking for level funding and thanked the Board for their past support. She stated that the number of their clients has increased, while donations have decreased. She stated that their office covers seven counties and they represent low-income citizens who

need an attorney for civil, legal matters. She stated that 65 Lancaster County residents were served last year.

Volunteer Fire Departments

Mr. C. D. Hathaway and Mr. Dan Sanders of the White Stone Volunteer Fire Department and Mr. Tom Jones of the Kilmarnock Volunteer Fire Department were present to speak on behalf of the three fire departments.

Mr. Hathaway stated that even though the three departments are funded individually, they work and train together. He stated that they are requesting level funding for FY 2016 and were grateful for the past support of the Board. He stated that even though everyone is a volunteer, the operational expenses, such as insurance are high. He stated that they are always looking for ways to cut costs and have started buying complementary equipment to use between the three departments.

Northern Neck Food Bank

Mr. Lance Barton, Director of the Northern Neck Food Bank, and Ms. Julie Dudley, Development Director for the Northern Neck Food Bank were present to represent the organization.

Mr. Barton stated that on any given month, fourteen percent of the citizens from Lancaster County will visit a food bank and receive food. He stated that his organization is more than just a food bank. He stated that they work with a lot of farmers because they are committed to fresh food and teaching people how to eat healthy.

Kilmarnock Volunteer Rescue Squad

Mr. Craig Thompsen, a representative for the Kilmarnock Volunteer Rescue Squad, stated that his volunteer organization now has a great working relationship with the paid emergency staff and there are no more issues. He stated that they are increasing their training and have just approved putting an addition on their building for sleeping quarters that will provide faster response times. He stated that they have also looked into purchasing a new ambulance. He stated that his organization was requesting \$50,000 for FY 2016.

15th District Court Services-Juvenile Probation

Mr. Thomas Tomlin stated that he was requesting level funding for FY 2016.

Rappahannock Community College

Mr. Kim McManus, Vice President of Finance and Administrative Services, stated that they have streamlined their capital request for this year. He stated that in the

past year there were 312 students including 106 dual-enrollment students from Lancaster County. He thanked the Board for their past support.

Mr. Bill Pennell stated that the reason for the requested increase for the college is because of its infrastructure needs. He stated that any expense five feet outside of the buildings has to be absorbed by the communities it serves and the state will not pick up the bill. He stated that Rappahannock Community College serves 12 counties and they are all being asked to contribute to the capital needs. He asked that the Board consider their request of \$13,700.

Northern Neck Free Health Clinic

Ms. Jeanne Nelson, Executive Director of the Northern Neck Free Health Clinic, stated that the clinic had been in business for over 22 years. She stated that in the last year, 585 Lancaster County residents received thirty-eight percent of the services. She spoke about some of the services offered at the clinic, including navigating through the Affordable Health Care Act.

Dreamfields Ball Park

Mr. Welby Saunders and Mr. Travis Pittman were present to represent Dreamfields. Mr. Saunders stated that the ball park was celebrating its 50th anniversary this year. He stated that in 2014, over 2500 children visited the facility and played ball. He stated that they have adult softball teams and have hosted a soccer tournament as well. He stated that people come from all over the state to play or watch ball games, which results in hotel room and restaurant sales, so it has a positive impact on the children and the local economy.

Mr. Saunders stated that they would like to make a first-time funding request from the Board of Supervisors for \$20,000. He stated that the ball park continues to grow and they have tried to be self-sufficient, but could use some help at this time. He stated that since the ball park is not owned by the County, unlike many others, there has been no expense to the County for this great resource.

Mr. Jenkins asked what their annual operating budget was.

Mr. Saunders replied approximately \$60,000.

Mr. Bellows stated that he thought they had done a great job at the ball park.

YMCA

Mr. Mark Favazza stated that there were 2,123 people who received support at the YMCA last year in order to participate in programs. He explained some of the programs that are offered in the community, such as the swimming lessons program, summer camps, after-school programs and sports. He thanked the Board for their past support.

FY 16 Budget Work Session, Including Personal Property Tax on Boats

Mr. Pleva stated that in the Board members' binders are budget requests and Mr. Gill was going to give them an updated copy of the Capital Improvement Budget. He referred to the first page and stated that on the revenue side, the property taxes are up \$700,000. He stated that if they use the Commissioner of Revenue's numbers, the County would have about \$13.7 million in both current and delinquent property taxes. He stated that the Treasurer had a more conservative number of approximately \$13.1 million. He stated that he would try to refine those numbers before the next work session.

Mr. Pleva referred to the revenue decrease of \$488,600 in the local option sales tax. He stated that he had a call into the Department of Taxation for clarification.

Mr. Pleva also went over the expenditures listed in the budget, which included salary increases and debt service. He explained the lease revenue bond issue and how it affected the budget.

Mr. Pleva stated that Mr. Jenkins had suggested adding another column to the spreadsheet that would include the revenues and expenditure figures to date to look for trends. He stated that he would have that for the next work session.

Mr. Jenkins stated that his reasoning for asking for that extra column was that, in prior years, the Finance Director would give that information in his presentation and it was helpful with the budget process.

Mr. Bellows suggested highlighting the line items that were significantly different from the prior budget, so they can look at those items more closely.

Mr. Pleva stated that there was a resolution from Gloucester County concerning their boat tax included with the Board members' materials, as well as some material that was gathered by George Bott.

There was discussion concerning the unexpended school funds that have been reverted back to the County in prior years.

Mr. Palin stated that he knew there were times when the unexpended amount could change because of grant funds.

Mr. Pleva stated that the figures shown simply state that as of June 30th of a fiscal year, the funds have not been expended or encumbered. He further stated that the Board of Supervisors could always re-appropriate funds after that date.

Mr. Palin stated that his concern was whether or not the figures stated on the report concerning unexpended funds covers federal and state grants.

Mr. Jenkins stated that information should be checked with the Finance Director of the schools.

Mr. Palin referred to the reverted funds and asked how much of it was federal and state grants.

Mr. Pleva replied that he would contact the school for that information.

Mr. Bellows asked Mr. George Bott to make some comments concerning his materials.

Mr. Bott stated that he had spent a lot of time with Mrs. Bonnie Haynie, County Treasurer and they looked at the federal and state amounts that appeared to be reverted every year. He stated that he had also worked with Steve Parker, Dr. Robert Westbrook and others associated with the school system. He stated that Dr. Westbrook said that he would have no problem with the County using the reverted funds in anyway it saw fit.

Mr. Bott stated, that according to Mrs. Haynie, there are no federal monies sent down to the County, but rather they are billed for the Title programs. He further stated that some County money may be used while the school waits for payment.

Mr. Bott complimented Steve Parker and his staff for their efficiencies with the school budget.

Mr. Bellows asked what other localities, besides Gloucester County, are doing with their boat tax.

Mr. Pleva replied that most localities have already passed their budgets, but he would look into it.

Mr. Jenkins stated that Gloucester's actions could start a domino effect and any benefit that Lancaster may get will fall away if we don't stay competitive.

Mr. Bellows agreed.

Mr. Jenkins stated that the boat tax is revenue that the County could certainly use, but the County is in partnership with Middlesex County in a branding initiative to make the Rappahannock River their own and Lancaster needs to stay competitive.

Mr. Palin asked how the lost revenue would be absorbed.

Mr. Jenkins stated that the boat tax reduction or elimination would make it harder to reduce real estate taxes in the short term. He stated that it could be tried for a cycle to see how it went and change it back, if necessary. He stated that he was worried about the working waterfront in the County and he did not want to see anymore of it lost. He stated that the perception may be that it is something done for the rich, but it is really being

done for the industry in general. He stated that the County does not need that waterfront industry to go away.

Mr. Bellows stated that other localities use tax incentives to attract businesses and they help bring in jobs.

Mr. Lee stated that some of his constituents have asked what assurances there were that there will be more jobs because of the tax break. He stated that it may need to be thought of as a “leap of faith” to see how it goes.

Mr. Pleva stated that the branding initiative is also a leap of faith and there are no guarantees, but you don’t know if the effort is not made.

Mr. Bellows stated that they know what has happened over the last fifteen to twenty years and it is not going to change, unless they make a change. He stated that if they continue to do the same thing, they will get the same results.

Mr. Jenkins stated that each year, this Board and succeeding Boards get a chance to renew the tax rates, so it is never “set in stone.”

Mr. Palin asked Mr. Bruce Sanders of Irvington Boatyard, if he knew how much business eliminating the boat tax would generate for him.

Mr. Sanders replied that he thought it would help, but it would take some time. He stated that he did not think there could be a turn-around in a year. He stated that he had spoken to other business owners that have been helped by the elimination of the boat tax.

Mr. Ken Knull of Yankee Point Marina stated that he agreed with Mr. Sanders. He stated that his business has been seeing a decline since 2008 and he has had to decrease his number of employees and he has many empty boat slips. He stated that he thought it would take a couple of years to see big improvements, once the boat tax goes away.

Mr. Jenkins stated that eliminating the boat tax may also be a catalyst to get the Windmill Point Marina going again.

Mr. Beauchamp agreed.

Mr. Jenkins asked Mr. Gill to try to find out how boat taxes affect other marinas on the Chesapeake Bay that Mr. Anzo owns.

Other Matters

Mr. Beauchamp made a motion to set the post-retreat work session with Dr. Michael Chandler for Monday, May 18th at 5:00 p.m.

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

ADJOURNMENT

Mr. Beauchamp made a motion to adjourn the meeting to Monday, May 11th at 5:30 p.m.

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