

BOARD OF SUPERVISORS MEETING

APRIL 6, 2006 BUDGET WORK SESSION

The Campbell County Board of Supervisors met on the 6th day of April 2006 in the Historic Courthouse Conference Room, Rustburg, Virginia. The members present were:

Eddie Gunter, Jr., Chairman, Presiding	Concord Election District
Rick Boyer	Sunburst Election District
Calvin P. Carter	Altavista Election District
Charles W. Falwell	Timberlake Election District
Hugh T. Pendleton, Jr.	Rustburg Election District
J. D. Puckett	Brookneal Election District
Hugh W. Rosser	Seneca Election District

R. David Laurrell, County Administrator
Clifton M. Tweedy, Deputy County Administrator
Alan Lane, Director of Management Services
Wendy Goggins, Financial Analyst
Calvin Massie, Commissioner of the Revenue
Catherine H. Moore, Deputy Clerk
Martin Fisher, Altavista Journal

Chairman Gunter called the meeting to order at 7:00 p.m. and announced this was a work session to review the proposed Fiscal Year 2007 Budget.

// Administrator Laurrell indicated the budget presented was balanced without any increases in taxes or fees and meets the Board's priorities and initiatives. Staff was appreciative of the budget process being used. The majority of the items in the budget have already been discussed by the Board, and the Board has indicated its support. The budget public hearing was scheduled for May 1, 2006.

// Several increases to the proposed budget were highlighted and discussed.

Schools

The increase in the budget for Schools was based on a funding formula adopted by the Board. Administrator Laurrell relayed to Dr. George Nolley, Superintendent of Schools, the Board still supported the funding formula, and it would not be interested in entertaining any additional funding for schools.

Dr. Nolley asked the Joint Committee to look at several issues being faced by the Schools for possible solutions. The Schools' primary concern was losing teachers to adjacent localities. Demographics were changing and the workforce was growing older due to the aging baby boomers. The Schools would need to look at other options for staffing schools and just paying more money may not be the most sustainable way to do business. Dr. Nolley indicated he would work with the School Board to keep its budget within the funding formula.

E-911 Telephone Surcharge

Due to changes this year by the General Assembly, the funding for E-911 would no longer come from a local telephone surcharge, but rather would be generated through a flat sales tax on all telecommunications paid to the State. The funds would then be distributed to localities beginning January 1, 2007. Staff anticipates this change to be revenue neutral for the fiscal year, however a change in accounting processes would need to occur mid-year and require a sizeable supplemental appropriation request and transfer from the General Fund to the E-911 Fund. It is anticipated the E-911 Fund would be collapsed into the General Fund beginning in Fiscal Year 2008.

Group Life Insurance

Supervisor Rosser raised a question concerning \$122,461 included for VRS Group Life Insurance. The Schools have approximately \$500,000 budgeted for the same. Supervisor Rosser asked if part of this cost could be passed back to the employees. Administrator Laurrell

indicated staff would look into his question and bring that information back. The life insurance benefit was part of the retirement plan and for the last two or three years the County has not had to pay that premium. It may be the locality is mandated to pay a portion of the premium. Mr. Lane added the Board agreed several years ago to pay the employee's share of the VRS premium in lieu of a pay increase and the life insurance is grouped with the retirement benefit. With the cost of benefit packages rising, Administrator Laurrell indicated some time in the future the Board may want to look at providing a lump sum for benefits and allowing employees to choose the benefits they would prefer.

Legal Services

Administrator Laurrell indicated staff would be coming back to the Board during the coming year with additional information on the benefits of moving toward hiring a full-time County Attorney. He added this was no reflection on David Shreve, but the amount of work has grown considerably.

TransDominion Express

One item that was too late to include in the budget was a \$1,000 contribution this year and another \$1,000 contribution during Fiscal Year 2007 to TransDominion Express. It was the consensus of the Board to delete funding for TransDominion Express for this year and Fiscal Year 2007. Should the General Assembly authorize an authority for the passenger rail service initiative, several Board members indicated they would reconsider a contribution.

\$5,000 for NACO – annual dues

Supervisor Rosser suggested this was an expense the Board may want to reconsider. Supervisor Pendleton indicated the County has benefited from the information received at the NACo Conferences. For instance, the Project Evaluation Committee was formed and is now utilized after learning about it at a NACo Conference.

// The Budget Committee recommended a number of expenditure decreases. There was discussion on the following:

\$50,000 from Volunteer Fire Departments and \$50,000 from Volunteer EMS Departments – Volunteer Medical Insurance

The budget included a request of \$50,000 from both the volunteer fire departments and volunteer EMS departments for a Volunteer Insurance medical insurance in excess of the County's existing insurance policy coverage. The Budget Committee recommended the item be addressed separately during the upcoming fiscal year by the Public Safety Committee to set up a reserve for this purpose. According to information from Chesterfield Insurers, they have never had a claim above the current \$500,000 limits.

\$37,200 for County contributions to Altavista Rescue Squad and \$22,800 for Gas, Oil, Grease for Altavista Rescue Squad

Based on staff's understanding that the Board did not wish to provide funding for non-participating agencies on the provision of EMS services, these two items were recommended to be removed from the budget. If a workable solution could be achieved before the opening of the fiscal year, staff recommended the funding be reinstated.

Supervisor Carter and Supervisor Rosser objected to the funding being removed from the budget. Altavista EMS had already hired four people and was serving the community well. They did not want to put the emergency care of their citizens at risk should Altavista EMS not be able to operate without this funding. Administrator Laurrell indicated there was still approximately \$140,000 remaining in the budget for Altavista EMS, and much of that was to provide services in Pittsylvania County. Altavista EMS was billing for services which the Board did not approve. The Board at some point would need to notify the proper authorities that Altavista EMS was not authorized to bill in the County.

Supervisor Carter indicated he would be meeting with the Board of Altavista EMS next week, and Supervisor Rosser would be invited to attend. The other Board members assured Supervisor Carter that as soon as Altavista EMS agreed to participate with the County for the provision of EMS services, the monies would be reinstated. Supervisors Falwell, Puckett,

Pendleton, and Gunter all noted that providing funding for Altavista EMS when they have not participated in development or operation of the Countywide EMS plan adopted by the Board would be undermining the hard work the other five volunteer agencies had put into making this happen. Supervisor Falwell indicated he had spoken with Campbell County Rescue Squad members and was very appreciative of the time and commitment they had put in to making this happen. Since Altavista was not participating he did not believe they should receive the same consideration as the ones who have.

// Concord Elementary School

The Board approved the Capital Improvement Plan at the March 20, 2006 and approved a motion to move up the Concord Elementary School Renovation and Addition Project one year earlier than scheduled in the draft CIP and to begin debt service payments one year earlier. In order to fund the projected increase in the debt service for this project as well as for Phase 1 of the Master Plan for the Courthouse and other County facilities, the Board voted to set aside \$1.4 million for this purpose when the reassessment was completed in 2007 for real estate tax revenues to be budgeted and received in FY 2008.

Supervisor Rosser and Supervisor Boyer did not recall that this was actually included in the motion on March 20, 2006. Catherine Moore, Deputy Clerk, read the following from the March 20th minutes:

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors adopts the Fiscal Year 2007- 2011 Capital Improvement Plan as presented, and commits \$1.4 million from the 2007 Reassessment to fund the debt service requirements.

Chairman Gunter pointed out the estimated construction costs to renovate Concord Elementary School has increased. He asked if that project could be started one year earlier moving it from 2010 to 2009 in order to keep the debt service as currently proposed. Administrator Laurrell stated that if the Board adopts the motion as presented, then the funding mechanism would be in place to start that project one year earlier.

*The vote was: Aye: Carter, Falwell, Gunter, Pendleton, Puckett
Nay: Boyer, Rosser*

The proposed Fiscal Year 2007 budget includes funding to move the Concord Elementary School project forward one year for a new estimated completion date of August 2009. Appropriate funding is reflected in the CIP, and if the Board adopts the budget as presented, it will move the project forward by one year.

// SALARY AND PERSONNEL ADJUSTMENTS

The proposed budget includes a 4% salary and related payroll fringe benefits increase for staff effective July 1, 2006 with the exception of Social Services. Social Services increases will be fully reimbursed by state/federal aid and Social Services will not be eligible under the County supported program for salary increases over and above what the state/federal reimburses the County. They would remain on the current December 1st date for increases. Social Services is the only agency that opted out of coming onto the County's pay and classification plan. The 4% salary increase budget for County operations is comprised of a 2% cost of living increase and a 2% merit pool based on performance.

Also included in the budget was a request to elevate the E-911 Program Manager to a Deputy Director 1 position effective July 1, 2006 for an expenditure budget increase for comp and payroll related fringe benefits in the amount of \$4,160.

Staff was also recommending the current Deputy Clerk to the Board of Supervisors be designated the Clerk to the Board of Supervisors. This involves no increase in funding or regrading; however once the incumbent, Cathy Moore, has obtained her Master Clerk certification, she should be recognized in this fashion as well as during the annual merit review process.

// SEPARATE CLASS FOR AIRCRAFT

Calvin Massie advised the Board of new legislation effective January 2006 that would allow localities to establish a separate class for larger aircraft. An adjustment in the tax rate

would be an incentive for owners to keep their aircraft in Campbell County. The Board was in agreement to take the necessary steps to establish a separate tax rate. Staff would look into the matter to see if the tax rate requires advertisement or could be adopted by resolution with the budget.

// The Board members thanked the Budget Committee for its excellent job on the budget. Everyone was extremely pleased at what Campbell County was able to provide and keep the tax rates low. Administrator Laurrell indicated departments did a good job of submitting budgets based on priorities. He also credited Mike Davidson for the great job he does to increase economic growth to generate revenue. The Board recognized Calvin Massie for always pursuing revenue sources.

Supervisor Pendleton thanked David Laurrell and the Budget Committee. They get a lot of the credit for pruning the budgets to keep them manageable before they come to the Board. He offered the following motion:

On motion of Supervisor Pendleton, it was resolved the Board of Supervisors tentatively adopts the Fiscal Year 2007 Budget as presented with no increases in taxes or fees, and authorizes staff to advertise the proposed Fiscal Year 2007 Budget for a public hearing on May 1, 2006.

The vote was: Aye: Boyer, Falwell, Gunter, Pendleton, Puckett, Rosser
Nay: Carter

// On motion of Supervisor Falwell, the meeting was adjourned at 8:25 p.m.

EDDIE GUNTER, JR., CHAIRMAN

Approved: _____