

VIRGINIA:

A FY 2019 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Wednesday, April 11, 2018.

Members Present: William R. Lee, Chair
Jason D. Bellows, Vice Chair
Jack D. Larson, Board Member
Robert S. Westbrook, Board Member
Ernest W. Palin, Jr. was absent.

Staff Present: Don G. Gill, Assistant County Administrator and
Planning/Land Use Director
Crystal Whay, Building/Land Use Assistant

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

BUDGET CONSIDERATION

Middle Peninsula Northern Neck Community Services Board

Charles Walsh, Executive Director for the Middle Peninsula Northern Neck Community Services Board, stated that his organization serves ten counties in the Middle Peninsula and Northern Neck. He thanked the County for its past financial support and stated that his organization also interfaces with locality entities such as the Department of Social Services, law enforcement, school system, probation and court services. He stated that they are in their forty-fourth year of service to the community.

Mr. Walsh stated that their budget was thirty million dollars. He stated that they receive \$5.3 million dollars from the state, \$1 million dollars from the federal government, \$530,000 from the localities and the rest they earn through Medicaid. He stated that not all of their services are covered by Medicaid or third party insurances and they have to subsidize some of their services. He stated that Lancaster County's contribution was \$42,231 last year. He stated that out of that amount, they pay real estate taxes of \$5,342 and that leaves them with \$36,889 to provide services to Lancaster County residents. He stated that his organization has an economic impact on the County as well. He stated that sixty-three of their employees live in Lancaster County with a wage impact of approximately \$1.5 million dollars. He stated that they operate three programs in Lancaster County and also pay rent to various local businesses.

Mr. Walsh stated that they provide many services and there was an eighteen percent increase in services provided to people under eighteen and a thirteen percent increase to adults last year. He stated that the value of the services provided to Lancaster County residents was approximately \$1.4 million dollars last year. He stated that they received an opioid treatment grant in February for \$225,502. He stated that opioid addiction was a growing problem and six residents from Lancaster County received treatment with that grant.

Mr. Walsh stated that his organization was grateful for the contributions it receives, but still has to subsidize services for citizens who are either under insured or have no insurance at all. He stated that they were not asking for an increase this year and just wanted all of the boards he visits to know that the services provided by his organization are very much needed in all communities.

Dr. Westbrook asked if the organization had a rigorous way of determining financial ability to pay for the services.

Mr. Walsh replied yes and that it was based on the federal poverty level and the citizen's income.

Sheriff's Department

Sheriff Patrick McCranie referred to account #31200, which is the Sheriff's Office account and stated that they never knew what the General Assembly was going to do, but had included a two percent raise for the deputies. He stated that his department had one open road deputy position and he did not want to fill it until he had the approval of the Board.

Sheriff McCranie referred to line item #1200, overtime and stated that he did not ask for an increase, however that was the line item from which unused annual leave was paid when someone leaves the department. He stated that he was hoping that they did not have anymore turnover anytime soon. He referred to line item #1300, part-time and stated that account was for the court bailiffs.

Mr. Lee asked if line item #1300 was just the bailiffs.

Sheriff McCranie replied it was the bailiffs and one part-time cook. He stated that there are more court days than there used to be, so more bailiffs were needed. He stated that they always have to have one deputy in the courtroom as well. He stated that Judge McKenney was recently threatened in another jurisdiction and they always have one deputy. He stated that there was a lot going on during court with transferring inmates, paperwork, seating juries, etc.

Mr. Lee asked if there were any part-time deputies.

Sheriff McCranie replied that they have one that works in the courts and was also certified as a road deputy to fill in the gaps when necessary. He stated that deputy was paid out of the part-time account because the gentleman was retired from the department.

Sheriff McCranie referred to line item #8205, vehicles and stated that he asked for a small increase. He stated that his department was trying to order the SUVs and the upfront costs were a little more, but the maintenance costs were a lot less. He stated that the Dodge Chargers were very expensive to maintain. He stated that all of the road deputies will have in-car computers and they should be online very soon. He stated that will allow them to have computer aided dispatch and the deputies will be able to run drivers' licenses and license plates without using their voice. He stated that will help with safety issues. He stated that their licensing fees will increase, so he has asked for an increase in that account.

Mr. Lee asked what the computer expenditures had been year to date.

Sheriff McCranie replied that he did not have that information in front of him.

Mr. Gill stated that the year to date figure for the Sheriff's computer equipment was \$31,005 through February 28th.

Mr. Bellows asked if most of that money was going towards new equipment or licensing fees.

Sheriff McCranie replied new equipment.

Mr. Lee asked if the equipment being purchased would be compatible with the equipment obtained through grant funds.

Sheriff McCranie replied yes. He stated that they will have a twenty-first century communications system and there are very few law enforcement agencies in Virginia with that.

Dr. Westbrook stated that he had looked at the actuals for FY17 and the requested amounts for FY19 and there was only a 1.6 percent difference between the two. He stated that they have already talked about overall County expenditures increasing by 6.4 percent every year since 2014. He stated that, in his opinion, the Sheriff's budget looked pretty good in comparison.

Sheriff McCranie stated that his department was trying to be very careful with spending and he had told his staff to "tighten their belts."

Dr. Westbrook asked if there was a market for the old vehicles that the Sheriff's Department no longer needs.

Sheriff McCranie replied that they have a Sheriff's auction that was held locally.

Mr. Bellows asked if the computer equipment in the vehicles was considered capital improvements. He asked if the Sheriff's vehicles were on the Capital Improvement Budget.

Mr. Gill replied that there was one Sheriff's Department vehicle on the Capital Improvement Budget this year. He stated that the last purchase for the vehicle computers, as well as some office computers, was also on the Capital Improvement Budget.

Mr. Bellows asked if there was a replacement schedule for the County's computer hardware.

Mr. Gill replied there was no set schedule for the computer hardware.

Sheriff McCranie stated that he wanted to say that his men and women were working very hard. He stated that the drug task force, in the last two years, has made two hundred arrests. He stated that their call volume was almost 11,000 through dispatch and that was up from approximately 7,000 calls in 2010.

Dr. Westbrook asked if there was a high turnover rate. He stated that with police being shot, he would assume the academies did not have the membership they used to have.

Sheriff McCranie replied that, statewide, sheriff's offices have an eighteen percent turnover rate. He stated that some officers go to other localities where they can make more money. He stated that it was difficult to recruit and retain good people.

Dr. Westbrook asked when a candidate comes to the Sheriff, were they fully trained or was money spent to train them.

Sheriff McCranie replied sometimes they get lucky and have certified officers apply, but they also send people to the academy and sometimes they leave after that for other jobs.

Mr. Larson asked if there was a provision in the employment contract where the employee would be obligated to stay with the department for a certain period of time in consideration for the training they received.

Sheriff McCranie stated that his department had looked into that and he knew the state police had tried to do that, but have found that employees would threaten a law suit.

Mr. Larson stated that if there was a signed, valid contract, he did not see how that could happen.

Sheriff McCranie stated that was what he had heard was happening at the state police level. He stated that he was willing to look into the provision.

Mr. Larson stated that the contract provision practice was common in many places where training was provided. He stated that if the rest of the Board did not feel like it was worth pursuing, that was fine.

Dr. Westbrook stated that the schools were trying to grow their own teachers and make arrangements for scholarships for people to go to obtain their teaching license and in return, the person signs an agreement that they would work for the County schools for a certain number of years.

Dr. Westbrook asked if the police academy cost money.

Sheriff McCranie replied that his department paid \$16,000 a year in dues to the academy. He stated that they also provide uniforms and ammunition. He stated that the \$16,000 was constant, no matter how many people were sent.

Dr. Westbrook asked if other sheriff's departments have an employment provision when training was provided.

Sheriff McCranie stated that he did not know, but could check around.

Sheriff McCranie stated that it was not easy to hire people, because of the strict standards.

Dr. Westbrook asked how many sheriff's departments were accredited in the state of Virginia.

Sheriff McCranie replied that he did not know about the state of Virginia, but in the Northern Neck, the only two accredited departments were Lancaster and Westmoreland. He stated that it was a reflection of their high standards and they scored one hundred percent last year. He stated that only three to four percent of the sheriff's departments, statewide, achieved that. He stated that it was something that his department was proud of.

Mr. Lee asked if there were two school resource officers.

Sheriff McCranie replied yes. He stated that there were two between the three schools.

Mr. Lee asked how the time was divided between the three schools.

Sheriff McCranie replied that they send the middle school resource officer to the primary school when he has a chance. He stated that the high school resource officer stays at the high school unless he was really needed. He stated that the main issues were at the high school. He stated that the high school resource officer was also an academy

instructor, so sometimes they have to pull a deputy to take over at the high school. He stated that he was there on duty today himself.

Mr. Lee thanked Sheriff McCranie for his time.

Budget Discussion

Mr. Lee stated that he had asked Mr. Gill to run some numbers for a scenario if the school budget stayed as advertised, the County employees received a two percent pay increase and everything else was level funded for the Board to consider. He stated that Mr. Gill and he had also discussed that since the first time that they and Mr. Larson had met with the school finance committee, there was a change in the requested school pay increases. He stated that there was a difference of \$191,000 in what the school proposed at that first meeting and what had been advertised. He stated that there also had been discussion about not giving the EMS Department a raise because they had just received one in October which would be a savings of approximately \$14,000. He stated that he just wanted the Board to review this information for further discussion.

Mr. Larson stated that the budget would still have a shortfall. He stated that they not only have to deal with coming up with the seven percent for the reserve this year, but need to put the brakes on expenditures.

Mr. Lee stated that the seven percent would always be a moving target because of the expenditures.

Dr. Westbrook stated that perhaps he had said something incorrectly when he made the motion about the reserve amount. He stated that perhaps the seven percent would be of the revenues, rather than the expenditures.

Mr. Larson stated that he had always thought of the reserve amount in terms of expenditures. He stated that the fund balance was something that was maintained from one year to the next. He stated that they can make it seven percent of the revenues if that was what the Board wanted.

Mr. Lee stated that he wanted the Board to have different scenarios to consider concerning the budget.

Dr. Westbrook stated that he had sent an email to everyone about the possibility of once this budget year was over, that they look at the entire tax structure. He stated that they could look at where they get their money from. He stated that when people think about taxes, they always consider property taxes. He stated that the book that he had suggested purchasing allows one to see how Lancaster County stacks up to every other county in the state of Virginia. He stated that there were seven or eight counties that match Lancaster County pretty closely for population around 11,000. He stated that, out of those seven or eight, there were only three that match on any other things. He suggested looking at the rates those counties charge for the different categories. He stated

that, in his opinion, they should have a public conversation about what would it mean if rates were changed. He stated that we keep making assumptions that the same tax rates that were set many years ago are appropriate for the County now. He stated that making some modifications could give the County more revenue. He stated that the book was very explicit about certain things and required a certain understanding of what the tax rates mean. He stated that they should start next year's budget right after this budget was done. He stated that the new books come out in May and if every Board member received one, then they could look at the information on their own as well as a group. He stated that he wondered if the County could have more revenue coming in without hurting anybody. He stated that it was worthy of research and discussion.

Mr. Larson stated that he agreed with the concept. He stated that they needed to consider which taxes are regressive and put more strain on people with limited economic means. He referred to the elimination of the boat tax and stated that it may have helped a few marina owners, but it was a classic example of a tax that, in his opinion, was not nearly as regressive as the general property tax. He stated that the only place that the Board can turn to make up the difference in having no boat tax was the real property and personal property taxes. He stated that they needed to keep in mind that if they are going to bring in new taxes or reimpose taxes, they need to do it without putting a financial strain on citizens with very limited economic means.

Dr. Westbrook stated that property taxes were a percentage. He stated that if someone has a very expensive home, they can afford to pay the percentage and if someone doesn't have a very expensive home, his contention was that person could still afford to pay the percentage. He stated that he didn't believe it hurts anybody like Mr. Larson was talking about and thought they had a different philosophy.

Mr. Lee stated that, for a person on a fixed income, any increase would be felt. He stated that raising taxes affects everybody.

Dr. Westbrook stated that it didn't affect everybody because there were categories where people can get relief and it was in the book that he had been referring to. He stated that if someone cannot afford their taxes, they can always apply for relief.

Mr. Larson stated that everybody needs to have shelter, but not everybody needs to own a boat. He stated that the tax burden should be placed where people have a choice. He stated that he did not see where property taxes were a percentage, but rather a set rate. He stated that if someone was receiving aid and/or on a fixed income, any increase would be a problem because they have to have shelter.

Dr. Westbrook stated that there are provisions for people to have tax relief in the County's tax code. He stated that the provisions could be looked at and decided what was fair.

Mr. Gill stated that the relief was based on income and he did not think that it was heavily utilized.

Dr. Westbrook asked if the Board needed to make a formal vote since the books would cost some money.

Mr. Larson stated that he would buy his own book.

Mr. Lee agreed with him.

Mr. Bellows stated that maybe the book cost could come out of the education and conference line item for the Board of Supervisors.

Mr. Gill stated that line item was already over spent.

Mr. Bellows asked about the contingency funds account and if Mr. Gill had found out what it contained.

Mr. Gill replied that the contingency funds amount to date was \$16,732.73 and was overspent. He stated that Betty Stevens, Accounts Administrator, had told him that this was a catch-all category. He stated that currently, there are two small amounts from Office Depot, \$9,650 for the fees from Davenport and Company and Sands Anderson related to the Revenue Anticipation Note as well as interest of 6,906.25. He stated that Bonnie Dickson, County Treasurer, said that was the way that the Treasurer's office had always accounted for revenue anticipation notes.

Mr. Bellows suggested that they take those amounts out of the contingency fund and place them in the Treasurer's budget as a line item.

Mr. Gill stated that he had asked Ms. Dickson why those amounts were not under debt service. He stated that he was told that debt service was for long term debt and the costs associated with the short term operating notes have always come under the contingency fund.

Mr. Larson stated that it hasn't always been done that way in years past. He stated that the interest, at least, was always accounted for in a separate line item. He stated that one of the things that troubled him was the amount of money that the County spends to set up the revenue anticipation note.

Mr. Gill stated that they have to go through the RFP process and the money was for both Davenport and Company and Sands Anderson.

There was some discussion about where those costs associated with the Revenue Anticipation Note should go in the budget.

Mr. Gill referred to the health insurance line item and stated that there was \$6420 allocated for FY19 under the Board of Supervisors, but none of the members are on the County's health plan, so it really should be zero. He stated that, to date, the conferences and education line item was at \$5,755.23. He stated that Dr. Westbrook was going

through the supervisors' certification class and there will be expenses for the VACo conference in November, as well as Mr. Bellows having more responsibilities by being the Region 2 Director, so he suggested that since the \$6420 was going away, make the education and conferences line \$8000, instead of \$4000 and mileage \$2000, instead of \$1500.

Mr. Bellows suggested a policy concerning this item. He stated that each member could get a \$1500 annual allocation for conferences and mileage and if they go over, the additional request would have to be approved by the Board. He stated that if the Board member had additional responsibilities, an additional \$500 could be added for mileage.

Mr. Larson stated that he would support that and would like to discuss it further.

Mr. Gill stated that he thought that fell in line with his suggestion of \$8000 in education and conferences and bumping the mileage up to \$2,000. He stated that the bottom line number would stay the same or less.

Mr. Larson stated that he did not understand the \$6420 from FY 17 for health insurance.

Mr. Gill stated that one prior Board member was on the County's health insurance plan.

Dr. Westbrook stated that the Board had talked about the possibility of having Dr. Mike Chandler talk to the Planning Commission members and perhaps inviting the planning commissions from the three towns. He stated that he had not heard back from Dr. Chandler yet. He stated that he did not know what the cost might be, but maybe the cost could be split.

The consensus was that the next work session would be scheduled for Thursday, April 19 at 5:30 p.m.

Broadband Citizen Advisory Group

Mr. Lee stated that he had two citizens from his district that were interested in serving and Mr. Palin had sent him two names from the second district.

Mr. Bellows stated that he had some citizens in mind, but no one committed yet.

Mr. Larson stated that he had one citizen from his district and possibly another.

Mr. Lee asked Dr. Westbrook if he would take the lead on forming the group.

Dr. Westbrook replied that he would be happy to do so. He stated that he had some names, too.

Mr. Larson asked Sharon Gill if she would be interested in serving on the advisory group.

Mrs. Gill replied yes.

Mr. Lee stated that the first committee would be doing research and then later an on-going committee could be formed. He stated that all of the names and contact information could be forwarded to Dr. Westbrook.

Consideration of Setting a Work Session with Atlantic Broadband-Franchise Agreement

Mr. Lee stated that Mr. Gill had sent out several dates for the franchise meeting with Atlantic Broadband.

Mr. Gill stated that the dates suggested by Atlantic Broadband were May 8, May 15 and May 22, all at 5:30 p.m. He stated that he had explained what days would be good for the Board during the budget season.

Dr. Westbrook asked about a June meeting.

Mr. Gill stated that it might be good to have an initial meeting in May to get a feel for how flexible Atlantic Broadband was.

Mr. Bellows stated that they can always have more than one meeting and suggested setting up the meeting on May 22nd.

Dr. Westbrook stated that he would expect that the Board would have some specific requests of Atlantic Broadband and not just give them a free ride. He stated that they needed to come up with something concrete and give the new advisory group a chance to form a request.

Mr. Lee stated that the meeting with Atlantic Broadband would be scheduled for Tuesday, May 22nd at 5:30 p.m.

Mr. Bellows stated that Metrocast had a build-out schedule in its franchise agreement and the Board should expect something similar to that. He stated that he would like to see what that might be and a timetable associated with it. He stated that he would also like to know if there was any way the County could accelerate the timetable.

ADJOURNMENT

Mr. Lee made a motion to adjourn the meeting to 7:00 p.m.

VOTE: William R. Lee Aye

Jason D. Bellows	Aye
Jack D. Larson	Aye
Ernest W. Palin, Jr.	Aye
Robert S. Westbrook	Aye