

**VIRGINIA:**

A FY 2014-15 Budget Work Session of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Tuesday, May 13, 2014.

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

Staff Present:                        Frank A. Pleva, County Administrator  
    Jack Larson, Finance Consultant  
    Crystal Whay, Building/Land Use Secretary

Mr. Beauchamp called the meeting to order at 4:00 p.m.

**BUDGET CONSIDERATION**

Mr. Beauchamp asked Mr. Pleva and Mr. Larson if they had any comments on the budget.

Mr. Pleva stated that they had some answers from the last work session's questions.

Mr. Larson stated that at the last work session, they went through the entire budget and he had incorporated the suggested changes, including decreasing the pay increase from 3% to 1.5%. He stated that he sent the budget out to the Board members as an Excel file and on the synopsis page, he noted that the fund balance is expected to change and have a decrease of approximately \$960,000. He stated that the fund balance has now gone back up again by approximately \$60,000 as a result of the recommended adjustments.

Mr. Larson stated that Mr. Jenkins had questions concerning the convention and education line item for the paid rescue services. He stated that he had asked Chief McGregor to prepare a detailed break-out as to how he planned to spend the requested money in 2015. He stated that report was sent to the Board members via e-mail.

Mr. Jenkins stated that he still had questions on the benefits of the training expenditures.

Mr. Pleva stated that he would try to get in touch with Chief McGregor to see if he could attend the work session and answer the Board's questions.

Mr. Jenkins stated that he wanted to make sure the training programs for the volunteers had adequate input from the leadership of the two volunteer squads.

It was decided that they would go on to another topic, until Chief McGregor was contacted.

Mr. Larson stated that the impact for the pay increase for the Social Services Department is \$12,313 and that figure has been added to Mrs. Davenport's budget. He stated that increase would not be funded by state or federal funds.

Mr. Larson referred to law enforcement overtime and stated that for the last two years, Sheriff Crockett has incurred roughly \$45,000 in overtime expenses to meet all of his obligations.

Mr. Larson referred to the office supplies at the Sheriff's Department and stated that he thought \$5,000 was a viable number for that category. He stated that this figure has gone up over the years with the addition of staff.

Mr. Larson referred to the vehicle fuel category and stated that Sheriff Crockett is only budgeting for his department's fuel requirements, while the line item accounts for all county vehicles that fuel up at the courthouse. He stated that the line item is more in the range of \$85,000, instead of \$37,000. He stated that, from an accounting point of view, it is not the best way to handle the line item. He stated that, obviously Sheriff Crockett has no control over the fuel used by Social Services, Animal Control, the Building Department and others that drive county vehicles. He stated that it would be difficult to keep track of each department's fuel use unless someone is tracking and documenting everyone, so that it can be charged to the proper department. He stated that his recommendation was to leave it as it was.

Mr. Jenkins stated that the problem is there is an assumption that there is no improper use of the fuel going on. He stated that some type of tracking system should be implemented that can be monitored.

Mr. Larson stated that the Board may recall that when they moved the fuel point to the new judicial center, they looked at putting in a metered system with a cost of approximately \$40,000.

Mr. Larson stated that when he was the Assistant County Administrator, he would look at this particular line item on a regular basis to make sure there were no spikes that would indicate improper use.

Mr. Beauchamp asked what the current procedure was.

Mr. Pleva replied that he was not aware of any record keeping.

Mr. Lee asked if there was a way to track the fuel usage to the correct department.

Mr. Larson stated that if a spike in fuel usage was noticed, he would tell Sheriff Crockett about it because there are cameras and motion sensor lights at the fuel point. He stated that it would be a matter of finding out whether there was uncommon usage happening.

Mr. Jenkins stated that he has no reason to think there is any improper usage of fuel, but the County has a number of employees that have unlimited access to County vehicles and some even take them home and not everything can be monitored.

Mr. Larson stated that the monitoring would not entirely take care of the improper fuel use.

Mr. Jenkins stated that the monitoring does keep track of who is getting the fuel and the amount they are getting each time.

Mr. Larson stated that if the employee is found to be burning more gas than what is needed for the job then it would also be a way of finding out about improper use.

Mr. Beauchamp asked about a simple sign-out sheet at the pump.

Mr. Jenkins stated that a solution could be that the pump is locked, the key is in a central location and when the key is retrieved, a chip is given out, then the key and chip are brought back with the name of the employee and the amount of gallons used.

Mr. Beauchamp stated that it was not reasonable for one department to be charged almost \$50,000 for something they have no control over.

The consensus was to look into monitoring and tracking the vehicle fuel costs.

Mr. Larson stated that he could separate the \$85,000 out to the departments, such as the building department, solid waste, animal control or social services if the Board wished.

Mr. Beauchamp stated that he liked that suggestion, but asked how would they come up with the figures for each department at this point.

Mr. Larson replied each department head could estimate how many miles their vehicles had been driven in a given year and the fuel consumption of their vehicles.

Mr. Jenkins stated that they should stay with the number they have for this year, but as quickly as possible, begin to utilize a tracking method.

Mr. Larson referred to Sonny Whaley's budget in public works and stated there were some increases. He stated that there is a 5% increase written into the maintenance service contract each year.

Mr. Pleva stated that the increase is based on the consumer price index in construction in the Mid-Atlantic, not to exceed 5%, so it does fluctuate.

Mr. Larson stated that his recommendation was that Mr. Whaley's proposal be accepted because it is realistic and he has maintained tight control over the other budget items.

Mr. Jenkins stated that, particularly in the last year, the employee assistance and attitudes at the refuse centers has been much better.

Mr. Larson agreed. He stated that he uses the Nuttsville and Regina centers and the sites look good and morale seems high.

Mr. Beauchamp agreed. He stated that the Kilmarnock center is in great shape as well and the employees are very helpful.

Mr. Larson stated that they have reviewed all of the cost centers at the present time and they still have the capital improvements to consider.

Mr. Larson stated that the Planning Commission had forwarded a prioritized list of capital improvements to the Board. He stated that the school's capital improvements have been broken out separately.

Mr. Lee asked what the total was for all of the requested capital improvement items for the school system.

Mr. Larson replied \$313,000.

Mr. Larson stated that the public access site request of \$189,900 is a carryover from the current year and not a new requirement.

Mr. Beauchamp asked about two school bus requests in two different positions on the capital improvements prioritized list.

Mr. Larson replied that the schools requested two buses for the coming fiscal year and the Planning Commission assigned the first bus at priority number 4 and the second bus at priority number 9.

Mr. Bellows stated that it is his opinion that the premise is to get on a schedule of obtaining 2 buses one year and 1 bus the following year and so on.

Mr. Jenkins stated that with a declining student population and a 15 year roll-over period, he thought they should be taking a look at whether the school system would need that many buses in 15 years.

Mr. Bellows stated that the school system has looked into the smaller buses, but they do not get much better gas mileage than the larger ones.

Mr. Jenkins stated that other schools such as St. Margaret's and Christchurch seem to do fine with the smaller buses. He stated that he has heard comments from citizens seeing the buses go down the road with few students on them.

Mr. Bellows stated that most of the buses are full when they leave the schools.

Mr. Lee stated how full the buses are depends on where you see them on their route.

Mr. Larson referred to the school budget and a discussion with Sue Salg and stated that she had made a comment that they had taken a look at their fuel usage and found that they used just as much fuel with one bus route as they had with two routes. He stated that she had said the reason for that was that the number of activities had expanded.

Mr. Bellows stated the bus traffic between the schools is also a factor.

Mr. Lee stated that he would like to know what activities Ms. Salg was referencing. He stated that his grandson is in the school system and he was not aware of extra activities.

Mr. Jenkins stated that the County has been experiencing a shrinking school population since he had been a member of the Board of Supervisors and if that continues, sooner or later, there does not need to be a fleet of 66 buses.

Mr. Palin stated they have cut 1 or 2 buses out of the fleet in the last couple of years.

Mr. Beauchamp stated that he had questions about the additional school bus.

Mr. Lee referred to what Mr. Palin had said and stated that he would like to know when the decrease was made to the fleet.

Mr. Palin stated that he thought the school was replacing buses, not adding them to the fleet.

Mr. George Bott stated that he thought the school bus fleet number was approximately 26 buses.

Mr. Lee stated that the administrative building's renovations was moved up because it is important for that to be completed, since citizens walk through it everyday.

Mr. Beauchamp asked if the Board wanted to table the capital improvement budget.

Mr. Bellows stated that the only place he can see where they would bring the cost down is to limit the school's request to one bus this year.

Mr. Jenkins stated that the Board's decision is to decide how far they fund into the list of requests and how it will be funded.

Mr. Jenkins asked if there was a rule of thumb, given an organization's budget size, about what a safe percentage the capital improvements should be.

Mr. Larson replied that he could try to find some statistics on the subject. He stated that the first place he would try would be the annual comparative report.

Mr. Pleva stated that he had heard about reasonable per capita debt and they could start with asking the auditors.

Mr. Palin asked what the advantages and disadvantages would be of funding the capital improvement budget by bonds.

Mr. Pleva stated that one advantage is that the rates are low and the second advantage is all of the requests could be accommodated.

Mr. Larson stated that it is very difficult year after year to fund everything out of the operating fund. He stated that after looking at other counties' budgets, he sees it both ways, some out of borrowing and some using the general fund.

Mr. Larson stated that before the year 2000 or 2001, there really was not a capital improvement program or process the County went through to obtain those items or do those projects. He stated that it has become a priority and some of that is driven through state requirements.

Mr. Larson stated that the 2003 loan will be paid off in a couple of years. He stated that he thought the County's debt position was in good shape and if they wanted to borrow money to pay for capital improvement items for now and in the future, it could be done.

Mr. Jenkins stated that bond funding allows the costs of the new assets to be spread out over time, even though it costs more because of the interest.

Mr. Larson stated that some capital improvement projects go away, like the proposed bus garage from a couple of years ago. He stated that he would not try to fund all of the capital improvement items from one year to the next.

Mr. Beauchamp stated that, back in 2000, there was no reserve to speak of and they did not have much choice in the decision to borrow.

Mr. Larson stated that if the Board did not want to borrow, the alternatives are to increase the tax rate, draw down on the fund balance or a combination of the two. He stated that he was not sure if either decision had a clear advantage.

Mr. Jenkins asked about the bottom line on the expense side of the budget with the revisions, if nothing changed.

Mr. Larson replied it was a shortfall of \$1,021,582, not including the requested capital improvement items.

Mr. Jenkins stated that if the taxes are raised, the burden is shifted to those with lesser valued homes.

Mr. Palin stated that he was inclined to go with a bond for funding the capital improvement items.

Mr. Lee asked if they would want to go beyond the capital improvement request figure. He stated that does not mean that all items requested would be funded.

Mr. Jenkins stated that they should consult with Dan Siegel before they decide anything.

Mr. Larson stated that there would be additional debt service costs if money is borrowed.

Mr. Beauchamp asked what the best way was to go about anticipating the amount to be borrowed.

Mr. Bellows asked if the amount for servicing a potential loan was something that could be handled at execution.

Mr. Larson replied yes.

Mr. Jenkins stated that the consensus was to have Mr. Pleva get with Dan Siegel on what the bond market looks like now.

Mr. Beauchamp stated that they need to be considering a number as well.

Mr. Larson stated that it comes down to the fact that there is more money being spent than what is coming in and that is not going to change for the better as the federal and state governments are funding less and less.

Mr. Jenkins stated that message has got to go out.

Chief McGregor arrived to answer the Board's questions.

Mr. Larson stated that the Board had more questions about the conferences and education line item.

Chief McGregor stated that with talking to the volunteer squads, he has determined that they don't have the certified personnel, internally, to provide EMT training. He stated that providing the training is one of the most powerful ways to recruit people. He stated that the funding for the EMT class is the single largest line item in the training request. He stated that half of the cost of the classes is paid with state funds and the other component is to pass along a portion of the cost to the squad or the individual attending the class. He stated that he had spoken with both volunteer squads and they are in support of the programs.

Mr. Jenkins asked if any volunteers had the advanced cardiac life support level.

Chief McGregor replied no.

Chief McGregor discussed adding a first responder class to the training as well.

Mr. Jenkins asked about the durable training equipment costs.

Chief McGregor replied that is equipment such as a mannequin and other devices that facilitate training either in a specific skill or a multitude of skills, but that do not reach the definition of capital improvements.

Mr. Beauchamp referred to the conventions and education item and asked for some general information.

Chief McGregor stated that the only convention was the Virginia EMS Symposium which is hosted by the state and the nation. He stated that it is a really good opportunity to understand best practices.

Mr. Jenkins asked why 2 people attend the symposium.

Chief McGregor replied that there are over 250 sessions during the symposium.

Mr. Jenkins asked if volunteers are qualified to attend the symposium.

Chief McGregor replied yes.

Mr. Beauchamp asked if volunteers attend the symposium.

Chief McGregor replied that he would find out if the County's volunteer squads send any representation to the symposium and let Mr. Pleva know that answer for Mr. Jenkins and Mr. Beauchamp.

## **BOARD REPORTS**

Mr. Beauchamp made a motion to appoint Fran Westbrook to the Historic Resources Commission.

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

Mr. Beauchamp stated that due to a change in by-laws and the fiscal year, the Bay Aging Board is changing some of their requirements. He stated that because of that, he would like to nominate Joe Curry to continue serving on the Bay Aging Board of Directors until September 30, 2014.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye

F. W. Jenkins, Jr.	Aye
Ernest W. Palin, Jr.	Aye
William R. Lee	Aye

Mr. Pleva stated that a nomination also needed to be made for the Northern Neck Public Access Authority, since Bill Pennell has retired.

Mr. Jenkins made a motion to appoint Frank Pleva to the Northern Neck Public Access Authority.

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

There was a consensus to set the next work session for Thursday, May 22<sup>nd</sup> at 4:00 p.m.

**CLOSED MEETING**

Motion was made by Mr. Jenkins to enter into closed meeting to discuss matters exempt from the open meeting requirements of the Virginia Freedom of Information Act. The subject matter to be discussed in the closed meeting is Real Property, § 2.2-3711.A.3 of the Code of Virginia, 1950, *as amended*. The purpose of the closed meeting is to discuss the acquisition of real property. The subject and purpose falls within the following exemption under § 2.2-3711.A.3 (acquisition of real property for public purpose OR the disposition of government owned property where public discussion would jeopardize the County’s or Town’s bargaining or negotiating position.)

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

William R. Lee Aye

**RECONVENE**

Motion was made by Mr. Beauchamp to reconvene the open meeting.

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

**CERTIFICATION**

**WHEREAS**, the Lancaster County Board of Supervisors convened in a closed meeting on May 13, 2014 pursuant to an affirmative recorded vote on the motion to close the meeting to discuss Real Property, § 2.2-3711.A.3 of the Virginia Freedom of Information Act;

**WHEREAS**, § 2.2-3712 of the Code of Virginia requires a certification by the board of supervisors that such closed meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE BE IT RESOLVED** that the Lancaster County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Motion was made by Mr. Jenkins to certify the closed meeting.

Before a vote is taken on this resolution, is there any member who believes that there was a departure from the requirements of number 1 and number 2 above? If so, identify yourself and state the substance of the matter and why in your judgment it was a departure. There was no comment.

Hearing no further comment, Mr. Beauchamp called the question. A roll call vote was taken:

ROLL CALL

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

This certification resolution is adopted.

No action taken on the closed meeting matters.

**ADJOURNMENT**

Motion was made by Mr. Bellows to adjourn to the FY 2014-15 School Board Budget Public Hearing at 7:00 p.m.

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