

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 Thursday, May 28, 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 and Land Use Director
Crystal Whay, Building/Land Use Secretary

Mr. Bellows called the meeting to order at 5:00 p.m.

BUDGET CONSIDERATION

Mr. Pleva stated that Mr. Gill, Mrs. Haynie and he met last week to review the budget numbers and make some format changes. He stated that the new changes since the last work session are shaded in gray.

Mr. Pleva referred to page two and stated that Mr. Thomas, Commissioner of Revenue, had finished his field work and they had estimated the real estate property taxes to be around \$13,500,000 in 2016. He referred to the personal property taxes figure and stated that the calculations reflect the boat tax being eliminated. He stated that the sales and use tax figure was increased based on the year to date receipts.

Mr. Pleva discussed some small changes that had been made throughout the budget worksheets.

Mr. Pleva referred to the summary sheet and stated that the total revenue figure comes to \$982,509 more than the previous fiscal year.

Mr. Gill referred to page one and stated that capital improvement expenditures previously were listed under the expenditure heading, however when the money was borrowed in fiscal year 2015, it was with the intention that every capital improvement item in fiscal year 2015 and fiscal year 2016 would be funded through the lease bonds.

He stated that the capital improvement items have been moved out of the expenditure column because they are already included in the debt service. He referred to the bottom of page one and stated that very little has been spent on capital projects to date.

Mr. Gill stated that John Mann was in attendance and his issue is that the fourth phase of replacing the HVAC systems at the middle school had been approved for fiscal year 2015, but they cannot complete the project while the children are still in school. He stated that Mr. Mann has learned that the units will not be delivered until June 30th, so they would like to move that item to fiscal year 2016.

Mr. Jenkins asked if it was just a timing issue.

Mr. Mann replied yes.

The consensus was that Mr. Mann's request would be granted.

Mr. Pleva referred to page nineteen and stated that Robert Cunningham, the Commonwealth's Attorney, had asked for a salary increase for his deputy, Mr. Kunkle. He stated that the number shown is the amount Mr. Cunningham had requested and he thought the Board would want to discuss it.

Mr. Jenkins stated that he would keep the salaries as they are.

Mr. Beauchamp agreed.

The consensus was that Mr. Kunkle would receive the 1.5 percent raise just like the other employees with no additional raise.

Mr. Pleva stated that he would adjust that figure.

Mr. Pleva referred to page twenty and stated that the question had been whether the new sheriff will make the same salary as the outgoing sheriff. He stated that he was trying to find out whether that salary was based on the locality's population or years of service. He stated that there may be a savings there and he would find out.

Mr. Pleva also referred to page twenty under law enforcement and stated that the fuel cost had been reduced because of lower gasoline prices. He stated that two vehicles had been proposed and they have cut back to one.

Mr. Pleva referred to page twenty-one and stated the figure of \$105,000 reflects the fact that funds are being restored to the volunteer rescue squads like they used to receive.

Mr. Pleva referred to page twenty-two and the paid rescue services and stated that Chief McGregor had approximately \$8000 in reductions for such line items as textbooks and training supplies.

Mr. Pleva referred to page twenty-six and refuse disposal and stated that a question had been raised about motor vehicles and their fuel and repairs. He stated that the way it was explained to him was that the line item titled repair and maintenance supplies deals with the equipment on the sites and the line item titled motor vehicles-fuel and repairs deals with the actual motor vehicles that travel from site to site.

Mr. Pleva referred to page twenty-seven and stated that the new line item was for the lease on the public boat ramp site of \$2400 annually.

Mr. Pleva referred to page twenty-eight and twenty-nine and stated that level funding was being proposed for the Lancaster County Health Department, the Northern Neck Free Health Clinic, Bay Aging and other organizations.

Mr. Pleva referred to page thirty-one and the request from Rappahannock Community College and stated that most of the localities that he had spoken with were planning on giving more than usual, but not necessarily the requested amount. He stated that he had left their requested amount in the budget and it could always be changed later.

Mr. Pleva referred to page thirty-two and stated that there was level funding for such organizations as the YMCA and the Lancaster Community Library. He stated that the one new request on that page was the Dreamfields Ballpark and the Board had suggested a \$10,000 donation.

Mr. Jenkins referred to page thirty-four and the Soil and Water Conservation District donation and stated that figure for FY 16 should be \$10,000 or level funding.

Mr. Jenkins referred to the Wetlands Board and stated that its costs are economy generated. He stated that the Wetlands Board is coming in under budget and may do the same next year. There was discussion about decreasing the Wetlands Board's budget. The consensus was to change the total amount to \$10,000 for FY 16.

Mr. Pleva referred to page thirty-five and mentioned the regional rebranding initiative request of \$25,000. Mr. Beauchamp stated that as part of the County's economic development, he felt that donation was very important.

Mr. Pleva referred to page thirty-six and contracted services under the enhanced emergency telephone system and stated that Sergeant Haywood thought the \$25,000 figure better represented that category.

Mr. Gill referred to the school capital improvements list on page forty-one and stated that those items were already included in the debt service category in the expenditures column. He referred to the purchase and renovation of the library and stated that the Planning Commission thought the \$735,000 would not be expended before July 1st so that figure is included in the \$1,100,000 for FY 16. He stated that the \$1,100,000 included a purchase estimate of \$750,000 and a renovation estimate of \$350,000.

Mr. Bellows asked about the status of the purchase of the library building.

Mr. Gill replied that to his knowledge no agreement has been made.

Mr. Beauchamp stated that he thought he had heard that a contract was in place for approximately \$620,000.

Mr. Mann stated that he had not heard that.

Mr. Gill referred to page forty-two and explained the County's capital improvements.

Mr. Pleva referred to the budget's summary page and stated that the gap between revenue and expenditures is approximately \$831,000. He stated that translated to about 3 and 1/3 cents for the real estate levy, assuming no boat tax.

Mr. Lee stated that quite a bit of that money is for the debt service.

Mr. Pleva explained the advertising schedule for the tax levies. He stated that the Board could adopt a levy lower than advertised, but not higher.

Mr. Lee stated that based on that information, they were probably looking at advertising a real estate tax levy increase of four cents.

Mr. Bellows asked about other localities' rates.

Mr. Pleva replied that he would find that out.

Mr. Beauchamp stated that he would like to see the Board do something on the boat tax, but had difficulty accepting the County taking a \$400,000 hit and having to increase the real estate taxes to make up any part of it. He stated that the people who will be hurt are those who live inland and don't own a boat.

Mr. Lee agreed.

Mr. Beauchamp stated that he could agree to a lower boat tax rate, but does not know what impacts it would have on the County's economy and how that revenue could be replaced.

Mr. Bellows stated that he understood the concerns, but that Mr. Murray's presentation indicated eliminating the boat tax would have a positive economic impact on the area.

Mr. Jenkins stated that the biggest two competitors are Northumberland and Middlesex counties and Lancaster needs to stay competitive. He stated that Lancaster's boat taxes are not always the most expensive, but the perception is that they are.

Mr. Bellows stated that he thought the elimination of the boat tax would make a huge impact on the bigger boats.

Mr. Beauchamp stated that he thought Middlesex would have to take a hard look at the boat tax since their boat taxes generate much more revenue than Lancaster. He asked about reducing the rate rather than eliminating it.

Mr. Bellows stated that he thought a small reduction of the rate would not make a big difference.

Mr. Palin stated that he had constituents who were voicing their concerns about their real estate taxes increasing to pay for the boat tax.

Mr. Lee stated that he did not think taxes should be raised to cover the boat tax, but that the debt service cost would need to be covered.

Mr. Pleva discussed a previous chart, which showed various boat tax rate and revenue scenarios.

Mr. Bellows stated that he thought Mr. Murray had said that the area could expect approximately \$25 million in money spent overall if the boat tax was eliminated.

Mr. Jenkins stated that the bulk of that revenue would go to the towns.

Mr. Bellows stated that he thought they should look at it as more of an investment in keeping the working waterfront industry alive.

Mr. Palin stated that he could support 76 cents for the boat tax rate.

Mr. Lee stated that he thought if the boat tax was not zero then it might not make much of a difference. He further stated that they did not know if it would make much of a difference at zero either.

Mr. Bellows stated that anything besides a zero rate would be harder to market. He stated that investments involve risk. He stated that, for the last twenty years, there has been a steady decline in the working waterfront industry.

Mr. Beauchamp stated that the economy has been a factor in that decline as well.

Mr. Lee stated that the question is where does the \$377,248 come from if the boat tax is eliminated.

Mr. Jenkins stated that it would come from the surplus.

Mr. Palin stated that was why he was talking about splitting the difference for the rate.

Mr. Bellows made a motion to advertise the proposed tax levies for calendar year 2015 as: real estate-58 cents per \$100, general personal property-\$2.04 per \$100, personal property motor vehicles-\$2.04 per \$100, boats-76 cents per \$100, machinery and tools-\$1.52 per \$100, merchant's capital-\$1.00 per \$100 and all other personal property-\$1.52 per \$100.

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

Mr. Pleva stated that the advertisement would go in the Rappahannock Record next week and the following week.

Mr. Bellows made a motion to hold a public hearing on the budget and proposed tax levies on Thursday, June 18th at 7:00 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

Motion was made by Mr. Jenkins to adjourn until 7:00 p.m. for the regular meeting.

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