

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

At a special meeting of the Pulaski County Board of Supervisors held on Monday, April 2, 2012 at 6:00 p.m. in the Main Floor Conference Room of the County Administration Building, 143 Third Street, NW, in the Town of Pulaski, the following members present included: Joseph Sheffey, Chairman; Charles Bopp, Vice-Chairman; Andy McCready; Ranny O'Dell; and Dean Pratt. Also present was Peter Huber, County Administrator; Robert Hiss, Assistant County Administrator; Diane Newby, Finance Director; and Gena Hanks, Clerk to the Board of Supervisors.

1. Welcome and Introduction

Mr. Sheffey called meeting to order and welcomed Board members, county staff and the press.

Mr. Sheffey advised the purpose of the meeting was to conduct a budget work session.

2. Review of Budget Proposal

a. Draft of Revenue and Expenditure Summaries

Ms. Newby explained the revenue summary tables in detail and noted the information presented to the Board reflected no tax increases. Ms. Newby also advised the Social Services budget figures had not been received. Therefore, the budget figures for FY 11 were used for Social Services.

Ms. Newby and Mr. Huber described the detailed budget requests and staff recommended cuts. Ms. Newby also expressed appreciation to County Engineer Jared Linkous for providing programming assistance with several of the spreadsheets presented to the Board.

Board members reviewed the summaries in detail and posed questions related to the requested and recommended funding for the various departments and agencies.

Mr. McCready inquired if staff had considered the refinancing of long term debt. Ms. Newby advised the current interest rates are relatively low and advised a copy of the actual debt service schedule could be provided to the Board.

Ms. Newby described the Capital Improvements Project listing in detail.

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

Board members reviewed the listing and discussed prioritizing items of critical nature. Mr. Huber advised the primary focus was on safety related projects.

Mr. Sheffey inquired regarding recommendations related to salary increases for employees. Mr. Huber advised \$150,000 had been set aside for the final implementation of the employee compensation study. Mr. Hiss advised employees eligible under the compensation study had received 25% of the salary study effective September 1, 2011. Mr. Huber also advised no cost of living increase had been recommended.

Ms. Newby advised staff had recommended the Board fund the 2.2% increase employees would see in the health insurance rates, which is approximately \$30,000.

Mr. McCready inquired as to how the proposed changes in the Virginia Supplemental Retirement System would affect the budget for the county and employees. Ms. Newby advised no final decision had been made by the state regarding the VRS proposed changes.

b. Supporting Information

1. Revenue and Expenditure Charts

Ms. Newby reviewed in detail the revenue and expenditure charts.

2. Revenue and Expenditure History Tables and Charts

Ms. Newby explained the revenue and expenditure history tables and charts and noted the information consisted of 10 years worth of data. She also advised the information on the charts can go back to the 80's and include actual audited figures.

Board members reviewed the information and discussed the details of the reports.

Mr. Sheffey inquired if the education figures include debt service on the schools. Ms. Newby advised she would provide this information to Mr. Sheffey.

3. Sales Tax Chart

Ms. Newby described the monthly sales tax revenue chart which consists of 13 years of information.

4. Mandated Services Chart

Ms. Newby explained in detail the Mandated Comprehensive Services, Juvenile Detention and Jail Costs chart.

Board members discussed the state funding and reimbursements to the regional jail, as inmate housing costs.

5. Comparison of Real Estate Tax Rates

Ms. Newby and Mr. Huber reviewed a chart showing the tax rate comparisons with other localities. Mr. Huber advised the rates reflected the current rates, noting some localities had not approved proposed tax rates.

Board members discussed the tax rates of the surrounding counties in comparison to Pulaski County.

6. Revenue Options

Ms. Newby explained the revenue options spreadsheet and described options available to the Board for increasing revenue through increases in the real estate tax rate, personal property taxes, machinery and tools tax, the BOPL tax and the motor vehicle license tax.

Board members expressed concern over the raising of any of the county's taxes for Pulaski County citizens due to the overall increase in electric and fuel costs and the financial hardship that would be placed on citizens. Board members also discussed the method for charging for county decals and the potential for joining services with the Town of Pulaski as a means of savings to both the county and town.

7. Employee Pay Increase History

Mr. Huber described a chart showing the history of pay increases for county, PSA, constitutional officers, Sheriff's employees, teachers, and non-teaching staff.

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

Board members noted the information provided indicated some Pulaski County employees had fallen behind in inflation, with the information reflecting school teachers salaries were ahead of inflation.

Staff advised copies of all charts presented are on file in the Finance Director's office, as well as with the records of this meeting.

3. Discussion of Options and Available Information

Mr. Huber advised it was staff's goal to provide as much information as possible for the Board of Supervisors to use as a tool in making decisions regarding the FY 13 county budget.

- Historical Expenditures, Line Item Details and Comparative Data

Mr. Huber presented a detailed spreadsheet providing a history of expenditures for the county.

Mr. Huber also shared a comparative report (actual money collected) that is prepared by the Auditor of Public Accounts which provides statewide per capita revenues and expenditures for towns, cities and counties. Ms. Newby advised a complete copy of the report can be found on-line under the State Auditor of Public Accounts web site.

4. Additional Budget Questions, Directions for Staff or Request for Additional Information

Mr. Sheffey questioned when staff expected to know of the state's budget plans. Ms. Newby advised it was anticipated the state would have information for localities by May 1st.

Ms. Newby presented one additional budget request from Beans and Rice which is for the wages for the Micro Solutions Program Specialist in the amount of \$24,000. Ms. Newby advised this request was submitted late and was not received in time to include in the overall budget recommendation.

Mr. Huber advised he expected the schools to make a request to the Board of Supervisors of an additional \$1.9 million. Mr. Huber recommended the two Board members serving on the joint services group, Mr. Sheffey and Mr. Pratt, work to determine the school needs.

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

Mr. Huber reiterated it was staff's desire to provide as much information to the Board as needed. He advised any suggestions from Board members was welcomed by county staff.

Mr. McCready thanked Mr. Huber and staff for the information and noted the biggest unknown factor related to funding was the amount of funds to be received by the school system from the state.

Mr. McCready confirmed the time frame had passed for changing the real estate tax rate to be effected July 1, 2012. However, Mr. Huber advised a change could be made by the Board which would go into effect with the June 2013 real estate tax.

Mr. O'Dell suggested consideration to consolidating the two towns and county as a means of potential savings.

Mr. Huber distributed the FY 11 county audit and Ms. Newby advised the information regarding long term debts could be found in the FY 11 county audit.

Mr. Pratt expressed concern over the potential for county equipment to break down if funds are not appropriated for replacing equipment, or making improvements to buildings, as needed. Mr. Pratt suggested there may be a need to increase taxes to allow for continued efficient operations by the county. He further expressed concern over balancing the county budget at the expense of continued efficiency in county operations and citizen services.

Mr. McCready commended the School Board and Board of Supervisors for the excellent investment made in the energy savings methods at Pulaski County High School and the long-term savings that will be seen by the county. Mr. McCready suggested additional similar investments need to be made by the county. He also suggested there may be a need for use of reserves to allow for continued effective operations.

Mr. Huber offered a variety of options to allow for citizen input regarding all issues involving the county, but in particular the proposed wellness center and the issues involving potential new middle schools.

Ms. Newby described the county's reserve status, as well as explained the "committed for" and "assigned for" which are noted in the audit.

Mr. McCready requested a detailed listing of capital items reserved to be paid for through accumulated reserves.

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

Mr. Sheffey inquired as to the anticipated cost for new software to upgrade the county's current system. Ms. Newby advised the costs could range anywhere from \$100,000 to \$700,000 depending upon the system. Ms. Newby advised county and school staff were previewing software packages.

Mr. Sheffey requested staff provide a recommendation to the Board at a future meeting regarding software needs. Mr. Sheffey also inquired if Ms. Newby had contacted other localities regarding software used by the various localities. Ms. Newby advised contact had been made with the City of Salem and several other localities and the results would be provided to the Board.

5. New River Valley Comprehensive Economic Development Strategy

Mr. Huber reminded the Board that each year, the NRV Planning District Commission (NRVPDC) solicits suggestions from member localities for projects that each governing body would like to see considered for possible state or federal funding. He advised staff removing the two items listed on the current listing and that the following items be added: Upgrade 911 Dispatch System - \$700,000 and secondary road system improvement on Julia Simpkins Road in support of a local employer - \$3,300,000.

On a motion by Mr. Pratt, seconded by Mr. McCreedy and carried, the Board approved submitting the following items for projects to be considered for possible state or federal funding: Upgrade 911 Dispatch System - \$700,000 and secondary road system improvement on Julia Simpkins Road in support of a local employer - \$3,300,000.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.
Voting no: none.

6. Closed Session – 2.2-3711.A.1.5

Chairman Sheffey called the meeting to order and advised a Closed Session would need to be held as follows:

A closed session is requested pursuant to Section 2.2-3711.A.1.5 of the 1950 Code of Virginia, as amended, to discuss personnel, legal, land acquisition/disposition, and prospective industry matters.

On a motion by Mr. Bopp, seconded by Mr. O'Dell and carried, the Board of Supervisors entered a Closed Session for discussion of the following:

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

Personnel – Pursuant to Virginia Code Section 2.2-3711(A)1 discussion for consideration of employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of public officers, appointees or employees, regarding:

- County Administrator

Prospective Industry – Pursuant to Virginia Code Section 2.2-3711(A)5 discussion concerning a prospective business or industry, or the expansion of an existing business and industry, where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community:

- Project Stamp

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

Return to Regular Session

On a motion by Mr. Pratt, seconded by Mr. Bopp and carried, the Board returned to regular session.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.

Voting no: None.

Certification of Conformance with Virginia Freedom of Information Act

On a motion by Mr. McCready, seconded by Mr. O'Dell and carried, the Board of Supervisors adopted the following resolution certifying conformance with the Virginia Freedom of Information Act:

WHEREAS, the Board of Supervisors of Pulaski County, Virginia, has convened a closed meeting of this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act:

WHEREAS, Section 2.2-3712(D) of the Code of Virginia requires a certification by this Board of Supervisors that such closed meeting was conducted in conformity with Virginia law.

BOARD OF SUPERVISORS MEETING MINUTES OF APRIL 2, 2012

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Pulaski County, Virginia hereby certifies to the best of each members' knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in this motion convening the closed meeting were heard, discussed or considered by the Board of Supervisors.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

7. Other Matters

There were no other matters discussed.

8. Adjournment

By consensus, the Board adjourned its special meeting. The next meeting of the Board would be held on Monday, April 16, 2012 for a budget work session, with said meeting to be held in the Basement Conference Room of the County Administration Building in the Town of Pulaski. The next regularly scheduled meeting of the Board is to be held on Monday, April 23, 2012 beginning with a Closed Session at 6:00 p.m. and the regular meeting at 7:00 p.m., with said meeting to be held at the County Administration Building, 143 Third Street, NW, Board Room, in the Town of Pulaski, Virginia.

Voting yes: Mr. McCreedy, Mr. Sheffey, Mr. Bopp, Mr. Pratt.

Voting no: None.

Joseph L. Sheffey, Chairman

Peter M. Huber, County Administrator