

Board of Supervisors - March 28, 2013 Recessed Meeting

The Wise County Board of Supervisors met in a Recessed meeting on Thursday, March 28, 2013 @ 5:00 PM in the Board of Supervisors meeting room located in the Wise County Courthouse. The following members were present:

Honorable Robert R. Adkins – Chairman
Honorable Virginia Meador – Vice-Chair
Honorable Dana Kilgore
Honorable Robert E. Robbins, Jr.
Honorable J. H. Rivers
Honorable Fred Luntsford
Honorable Ronald L. Shortt
Honorable Steve Bates-members of said Board and
Shannon C. Scott – County Administrator
David L. Cox – Finance Administrator
Karen T. Mullins – County Attorney
Annette Underwood – Executive Secretary

IN RE: WORKSHOP – PROPOSED COUNTY FY 2013-14 BUDGET

Finance Administrator David Cox provided a power point presentation on the County's proposed FY 2013-14 budget. He reviewed the following major revenue changes for FY 2014 Vs FY 2013 budget:

- \$3.7M increase in real Property Revenue from Dominion Power Plant
- Reduction of \$350K estimated for Machinery & Tools
- Decrease in Coal Severance of \$1.75M (Note 40% reduction from FY 11)
- Increase of \$350K in categorical aid for Constitutional Offices, HazMat, etc
- Grant increase for Pre-Trial Services \$800K (Wise County is fiscal agent for Regional Grant)
- Loan proceeds increase due to landfill expansion loan (\$4M Vs \$2.6M)
- \$100K transfer from Courthouse Renovations Fund for Security related renovations
- Decrease of \$495K in use of reserved funds allocated for schools

The following FY 2014 Major Expenditure changes Vs FY 2013 budget was reviewed as follows:

- \$750K reduction in public works due to Justice Center offset by increased capital lease payments for the \$1.5M buildout
- Reduced Capital Outlay for Courthouse (Elevator upgrades included in FY 2013) - \$275K
- Decreased Regional Jail Cost \$180K
- \$800K increase in community development due to Pre-Trial Pass through
- Other decreases in community development
- Increase in education due to 1) reduction of \$700K in operations and 2) \$100K less debt service offset by \$1.7M in capital outlay increase
- Increase of \$4M in transfers for landfill offset by reduction in other landfill capital outlay
- Increase in 911 dispatch for connectivity charges previously paid by state
- Increase of \$278K in Operations and Debt Service for CNW expansion

The following Budget Points were reviewed:

- Some departments offered reductions of 5% (Anticipated FY 2013 surplus)
- Some departments are much more personnel cost than others
- Constitutional Offices Comp Board funded (Salary increase from the state)
- Included in the proposed budget is a 1% mandatory VRS increase (Employees must pay this 1% to VRS)
- An additional 2% increase is included in the proposed budget for all departments

The following Potential Opportunities to cut costs were reviewed:

- Consideration of Debt Service of \$105K for CNW being paid by coal severance funds or by PSA

- Partial funding from PSA for CNW operations cost
- Possibility of eliminating one day of convenience center operations
- RFP for energy audit of all County buildings to determine potential savings
- RFP for audit of utility and telecommunications billing
- Possibility of workload measures for all County departments (Most Constitutional Offices already complete)
- Offices provide specific budget justifications to County Administration for future technology upgrades for computers, phones and other devices
- Departments should provide more detailed justifications for capital outlay needs in the future

The proposed FY 2014 Year-End Projected fund balances were reviewed as follows:

**Projected Fund Balances with Proposed Budget
Fiscal Year End 2014**

• Projected Unassigned Fund Balance – 2013	\$12,763,427
• Projected Shortfall Revenue	\$ (391,272)
• Projected 06/30/14 General Fund Balance	\$12,372,155
• Reserved Fund Balance – Schools	\$ 9,000,000
Amount Used Original Budget	\$(2,195,138)
Less Eastside High School	\$ (900,000)
Less \$1.7M included in FY 2014 Proposed budget	\$(1,700,000)
Projected 06/30/14 Reserved Fund Balance	\$ 4,204,862

Mr. Cox explained that the current minimum fund balance policy requires 10% of General Fund Budget. The amount is \$6.1M on a \$61M budget. His recommendation was to work toward 15% which would be \$9.15M on a \$61M budget. The 15% target is the policy of many Virginia counties. He further noted that all funding agencies promote balanced budgets for localities. The importance of a fund balance is to carry the County through economic uncertainty and to maintain a good credit rating for Wise County. A healthy fund balance provides a lower borrowing cost if the County needs to borrow money and also reserves funds for any emergency situations that the County may face.

The Board discussed possible options for cost savings in the proposed budget and still meet the County responsibilities for providing services to its citizens.

ADJOURN

There being no further business, a motion was made by Robby Robbins, seconded by Steve Bates, to adjourn the meeting. The motion was unanimously approved.

ATTEST:

WISE COUNTY BOARD OF SUPERVISORS

Shannon C. Scott, Clerk

Robert R. Adkins, Chairman