

VIRGINIA: A CONTINUED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS
HELD IN THE GENERAL DISTRICT COURTROOM OF THE COUNTY
GOVERNMENT CENTER ON FEBRUARY 2, 2012 AT 6:00P.M.

PRESENT: SUPERVISOR JUDY S. LYTTLE, CHAIRMAN
SUPERVISOR JOHN M. SEWARD, VICE CHAIR
SUPERVISOR ERNEST L. BLOUNT
SUPERVISOR KENNETH R. HOLMES
SUPERVISOR GIRON R. WOODEN, SR.

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MS. TERRI HALE, DIRECTOR OF FINANCE
MR. WILLIAM HEFTY, HEFTY & WILEY, COUNTY ATTORNEY

CALL TO ORDER

The meeting was called to order by Chairman Lyttle. Mr. Franklin informed that the purpose of the meeting was to begin the budgeting process for FY 2012-2013. Ms. Terri Hale addressed the Board and presented a FY 11-12 Mid-Year Financial Report and FY 12-13 Financial Outlook. *(A copy of Ms. Hale's presentation is attached as an integral component of these minutes.)*

During her review of General Fund Expenditures (p. 4), Ms. Hale explained that an average of 58.43% in unencumbered funds was indicative of the fact that Department heads were conserving financially. She further reported that County staff had not experienced a salary increase in three years and she hoped that this fiscal responsibility would enable an increase to be incorporated in the upcoming budget. In reviewing School Fund expenditures Ms. Hale also reported that the School System appeared to have an efficient approach towards spending also.

Ms. Hale further reported on potential 2012 General Assembly actions:

- An increase of approximately \$130,773.00 in the employer share for VRS
- Generally level funding from the state
- A Machinery and Tools Tax Bill being considered at the state level which would make equipment purchased after July 1, 2012 out of service for 3 years classified as intangible personal property (could cost the county close to \$20,000 in lost revenue)

- A BPOL Tax Bill being considered at the state level stating that a locality may not set rates higher than the 2011 rate (could cost the county as much as \$40,000 in potential revenue)

Following Ms. Hale's presentation the Board briefly discussed the possibility of considering salary increases/bonuses for County staff. Ms. Hale informed that Department budgets were due to the Finance Director by February 10, 2012 and that the School System proposed budget had not yet been received. She did suggest that the School System budget may contain salary increases for School System employees in FY 12-13 as they had not received an increase in five years. Further brief discussion followed.

Mr. Franklin reported that staff would present further information as the budget process progressed. Chairman Lyttle thanked staff for previously providing the FY 10-11 Audit Report to Board members.

ADJOURNMENT

There being no further discussion, Supervisor Seward made a motion that the Board adjourn until their regularly scheduled meeting at 7:00pm. The motion was seconded by Supervisor Holmes and passed unanimously.

FY 2011-12 Mid Year Financial Report & FY 2012-13 Financial Outlook

Mid Year Reporting - For the period ending December, 2011

Terri E. Hale
Director of Finance
February 2, 2012

Local Revenue Sources

Local Revenues Constitute 91.8% of the General Fund budget.

Revenue Source	FY12 Budget	FY12 Projected	FY12 Collections at 12/31/2011	% of Projection at 12/31/2011
Real Property Taxes	\$ 6,357,444	\$ 6,115,887	\$ 5,748,788.75	94.00%
Public Service Taxes	11,432,113	12,199,403	12,199,402.67	100.00%
Personal Property Taxes	1,103,060	1,150,165	891,463.62	77.51%
Penalty & Interest	120,000	125,109	57,596.64	46.04%
Other Local Taxes	708,500	781,798	295,168.90	37.76%
Permits, Fees & Licenses	40,500	36,248	20,921.05	57.72%
Use of Money & Property	100,000	85,740	43,884.14	51.18%
Charges for Services	138,949	133,553	58,721.05	43.97%
Miscellaneous	21,052	21,000	7,459.19	35.52%
Total from Local Sources	\$ <u>20,021,618</u>	\$ <u>20,648,903</u>	\$ <u>19,323,406.01</u>	93.58%

State Revenue Sources

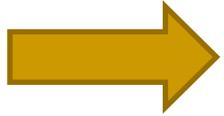
State Revenues Constitute 8.9% of the General and VPA Funds

Revenue Source	FY12 Budget	FY12 Projected	FY12 Collections at 12/31/2011	% of Projection at 12/31/2011
Non-Categorical Aid	\$ 689,907	\$ 719,338.00	\$ 547,480.87	76.11%
Shared Expenses	805,971	811,556.00	316,895.00	39.05%
Welfare Administration	564,000	530,000.00	165,005.34	31.13%
Other State Aid	<u>84,044</u>	<u>127,253.00</u>	<u>62,600.14</u>	49.19%
Total from State Sources	\$ <u>2,143,922</u>	\$ <u>127,253.00</u>	\$ <u>62,600.14</u>	49.19%

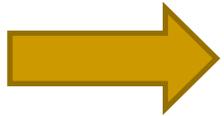
General Fund Expenditures

Function	FY12 Appropriation	Expenditures at 12/31/2011	Percent Spent	Unencumbered Balance	Percent Unencumbered
General Government Administration	\$ 1,661,668	\$ 623,527.87	37.52%	\$ 1,038,140.16	62.48%
Judicial Administration	403,992	193,397.81	47.87%	210,594.19	52.13%
Public Safety	2,859,786	1,200,800.65	41.99%	1,658,985.32	58.01%
Public Works	1,064,829	456,185.09	42.84%	608,643.91	57.16%
Health & Welfare	525,220	281,749.11	53.64%	243,470.89	46.36%
Social Services	2,147,049	798,652.09	37.20%	1,348,396.91	62.80%
Education	3,755	1,255.00	33.42%	2,500.00	66.58%
Parks, Recreation & Cultural	478,461	242,593.73	50.70%	235,867.27	49.30%
Community Development	466,157	197,505.30	42.37%	268,651.7	57.63%
Total by Function	\$ 9,610,917	\$ 3,995,666.65	41.57%	\$ 5,615,250.35	58.43%

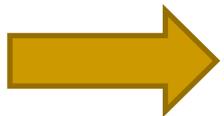
WHAT ARE WE EXPECTING IN FY13?



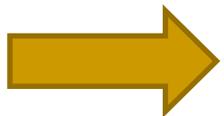
A 2.99%, or approximately \$130,773, increase in the employer portion of VRS.



Generally, level funding from the state.



Machinery & tools tax bill making equipment purchased after July 1, 2012 out of service for 3 years classified as intangible personal property.



BPOL tax bill stating that a locality may not set rates higher than the 2011 rate.