

VIRGINIA: A SCHEDULED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE SURRY COUNTY GOVERNMENT CENTER ON THURSDAY, APRIL 2, 2015 AT 7:00P.M.

PRESENT: SUPERVISOR JUDY S. LYTTLE, CHAIR
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
MR. WILLIAM HEFTY, HEFTY & WILEY, COUNTY ATTORNEY
MS. TERRI HALE, DIRECTOR OF FINANCE
MS. RHONDA L. RUSSELL, DIRECTOR OF PLANNING & COMMUNITY DEVELOPMENT
MRS. VALERIE PIERCE, DIRECTOR, SURRY SOCIAL SERVICES
DEPUTY ROCKY BARBEE, SHERIFF'S DEPARTMENT

CALL TO ORDER/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

The meeting was called to order by Chairperson Judy Lyttle who then asked for a moment of silence. Following the moment of silence, she asked those present to stand and say the pledge of allegiance.

CONSENT ITEMS

1. Approval of March 9, 2015 Minutes, Board of Supervisors
2. Approval of March 19, 2015 Minutes, Board of Supervisors, Public Hearing
3. Approval of March 26, 2015 Minutes, Board of Supervisors
4. Approval of April 2015 Accounts Payable:

	Accounts Payable	Additional	Total
General Fund	\$115,677.94	\$105,294.38	\$220,972.32
Debt Service	\$0.00	\$0.00	\$0.00
Capital	\$60,313.57	\$502,460.09	\$562,773.66
Water & Sewer	\$6,495.76	\$15,377.48	\$21,873.24
CSA	\$309.95	\$10,939.63	\$11,249.58
Indoor Plumbing	\$0.00	\$0.00	\$0.00
Juror Payments	\$0.00	\$0.00	\$0.00
Totals	\$182,797.22	\$634,071.58	\$816,868.80

5. Appropriation Requests:

School System - April 2015		Instruction	\$1,250,000.00
		Admin./Health	\$67,500.00
		Pupil Transp.	\$95,000.00
		Operation/Maint.	\$150,000.00
		Food Serv.	\$45,000.00
		Debt Service	\$0.00
		Capital Projects	\$0.00
		Technology	\$7,500.00
		Total	\$1,615,000.00
Dept. of Social Serv. - April 2015			\$150,000.00

6. General Fund 4th Quarter Appropriations:

	FY 14-15 Budget	1st Quarter Request	2nd Quarter Request	3rd Quarter Request	4th Quarter Request	Remaining Balance
General Government	\$8,413,150.00	\$2,465,181.75	\$2,151,275.00	\$2,058,045.50	\$1,556,647.75	\$182,000.00
Special Funds	\$304,045.00	\$155,000.00	\$80,000.00	\$0.00	\$69,045.00	\$0.00
Debt Service	\$1,603,127.00	\$100,000.00	\$800,000.00	\$400,000.00	\$303,127.00	\$0.00
Water & Sewer	\$357,364.00	\$100,000.00	\$100,000.00	\$75,000.00	\$82,364.00	\$0.00
Capital Projects	\$6,250,000.00	\$2,975,000.00	\$1,000,000.00	\$5,000.00	\$50,000.00	\$2,220,000.00
TOTALS	\$16,927,686.00	\$5,795,181.75	\$4,131,275.00	\$2,538,045.50	\$2,061,183.75	\$2,402,000.00

Supervisor Holmes made a motion that the Board approve the Consent Items as enumerated. Supervisor Seward seconded the motion. Supervisors Blount, Wooden, Holmes, Lyttle and Seward voted affirmatively to approve the motion.

PROGRESS REPORTS

1. VDOT
No Report

Supervisor Seward expressed concern about the use of roadways in Surry County for bicycling events. He stated that he considered such events to be sporting events and that it was his opinion that public roads should not be used for this purpose. He further reported that event organizers typically posted signs or used iridescent paint to identify the routes and that these were left behind after the events.

Supervisor Seward stated that he accepted that motorists should share the road with cyclists riding for transportation purposes and recreational purposes, but that organized events constituted a sporting use and that the Board should not sanction the use of public roads for private sporting events. A lengthy discussion followed.

Chairperson Lyttle also requested that VDOT be notified that ditch pipes had not been sufficiently cleared yet this year.

2. Treasurer

A. Investment Letter

Chairman Lyttle read the Investment Letter provided by Mary H. Shaw, Treasurer, which stated that as of the March 2015 meeting the County had \$23,860,953.97 in the LGIP Fund. Since that report, accrued interest for February 2015 in the amount of \$2,233.43 had increased that balance to \$23,863,187.40. Since the March 2015 report, \$1,000,000.00 was transferred from LGIP to the General Fund leaving a balance in the LGIP of \$22,863,187.40. As of April 2, 2015 the County had \$23,371,121.98 in total investments, including one CD valued at \$507,934.58 which matures on January 18, 2016.

3. County Administration

A. Presentation: FY 15-16 County Administrator's Preliminary Recommended Budget

As Ms. Hale approached the podium for her presentation, Mr. Franklin informed the Board regarding a notification from the Government Finance Officers Association of a Certificate of Achievement for Excellence in Financial Reporting. This is the third year in a row that Surry County has been recognized for fiscal excellence.

Ms. Terri Hale, Director of Finance and Information Technology, addressed the Board to present the FY 16 Preliminary Recommended Budget. Ms. Hale reported that this was a balanced budget of \$50,564,983 with no increase in taxes. The proposed budget does contain increases in utility rates, a Contingency Fund of \$200,000, salary increases of 2% for general government employees, increased health insurance premiums, a Public Service Corporation Tax of \$12,758,693 and increased real estate revenues of \$23,400.

Ms. Hale went on to report that the proposed FY 16 Personal Property Tax Relief rate would remain at 45%, the School Board and Social Services Department would receive level funding and that funding to outside agencies had decreased by 5.3%. ***(A copy of Ms. Hale's presentation is included as an integral component of these minutes.)*** Ms. Hale further reviewed proposed local revenues, intergovernmental revenues, expenditures, and fund balance.

Following her presentation, Ms. Hale answered questions from Board members and further discussed tax exemptions for heavy equipment and the School Board's FY 16 budget requests. The Board authorized Ms. Hale to discuss their concerns regarding the School Board's request with Ms. Hicks, Finance Director of Surry County Public Schools.

Supervisor Wooden made a motion that the Board authorize the advertisement and scheduling of a Public Hearing on the FY 2015-2016 Preliminary Recommended Budget for Thursday, May 7, 2015 at 7:00pm in the General District Courtroom. The motion was seconded by Supervisor Seward and unanimously approved.

B. Resolution 2015-05

Mr. Franklin introduced Resolution 2015-05 that, upon adoption by the Board, would declare April 2015 as "**National County Government Month**". Resolution 2015-05 recognizes the significant contributions that the Surry County Government has made in the past year to improve the community by providing new infrastructure, facilities and services to its residents.

Supervisor Wooden made a motion that Resolution 2015-05 be adopted designating April 2015 as "National County Government Month" in Surry County. Supervisor Holmes seconded the motion; all present voted in favor of the motion.

UNFINISHED BUSINESS

1. Appointments: Surry County Planning Commission

Mr. Wooden made a motion that the Board reappoint Mr. Theodore Lunsford (Claremont District) to the Surry County Planning Commission for a term beginning February 15, 2015 and ending February 28, 2019. Supervisor Seward seconded the motion which passed with unanimous support.

Supervisor Blount made a motion that the Board reappoint Ms. Carmen D. Judkins (Dendron District) to the Surry County Planning Commission for a term beginning December 1, 2014 and ending November 30, 2018. The motion was seconded by Supervisor Seward; Supervisors Lyttle, Wooden, Holmes, Blount and Seward voted affirmatively.

2. Appointments: Surry County Economic Development Authority

No action was taken.

NEW BUSINESS

Supervisor Wooden expressed concern regarding the new fire truck which the County had purchased for the Claremont Volunteer Fire Department. The truck has been received by the department, but there was some concern that specific parts were missing and the department wanted to request that payment be withheld until all such matters had been resolved. Deputy Rocky Barbee was asked to provide further information and informed that adjustments to the vehicle needed to be made and that communications with the vendor thus far had not proven particularly fruitful. He reported that the department wanted to get the truck into service as soon as possible and asked the County Administrator for assistance in resolving the matter.

Supervisor Blount mentioned the 109th Anniversary Celebration of the Town of Dendron scheduled for May 2, 2015 and inquired regarding participation from the Board and County Administrator.

Supervisor Holmes recognized Mr. Henry Thompson who was present in the audience.

Chairperson Lyttle recognized Mr. Rufus Tyler of The Improvement Association who was present in the audience. Mr. Tyler addressed the Board briefly to express his appreciation for the Board's continued support of The Improvement Association and their activities in Surry County.

CITIZEN COMMENTS

Mr. Mike Eggleston (Dendron District) addressed the Board to express concerns regarding their decision not to extend the No-Wake Zone along Gray's Creek.

Mrs. Helen Eggleston (Dendron District) addressed the Board to state that she did not oppose cyclists using the roadways in the county.

ADJOURNMENT

There being no further business before the Board, Supervisor Seward made a motion to adjourn. Supervisor Holmes seconded the motion; the motion passed with unanimous approval.

Surry County, Virginia FY16 Proposed Budget



**PRESENTED TO THE
BOARD OF SUPERVISORS
APRIL 2, 2015**

General Fund Highlights

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- Total balanced budget of \$50,564,983 with no increase in taxes. Total proposed General Fund budget = \$23,944,921, which includes transfers to other funds totaling \$15,110,986.
- Increase in water and sewer rates to \$30.00 and 39.00, respectively. This is a 7.1% increase in Dendron water and a 6.2% increase in County water rates, and a 14.0% increase in sewer rates. There have been no increases in rates since 2011 (water) and 2010 (sewer).
- Includes a contingency of \$200,000.
- Salary increases of 2% for general government employees \$108,500.
- Increase in health insurance premiums of 5.2%. The total employer increase is \$25,176.
- Public service corporation taxes included of \$12,758,693. The sales ratio remains at 100%.
- Increased current real estate revenue of \$23,400, based on the 2014 land book values.

General Fund Highlights, Continued

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- The PPTR rate remains 45%. On a personal vehicle valued at \$20,000, the state will pay the county \$360, 45% of the (paid) \$800 bill and the citizen will pay \$440, or 55%.
- School Fund (including cafeteria) local share is level funded at \$12,000,000. FY16 local share request = \$12,698,766, an increase of \$698,766 or 5.8%.
- VPA local share level-funded at \$748,906.
- Fire & rescue departments are level-funded at \$231,000.
- Two new utilities positions: manager (\$50,000) and technician (\$35,000) \$114,940
- Two sheriff's vehicles, including radios, are included at \$58,500.
- \$50,000 is included to enforce the existing property development ordinance. This will be recovered from the property owner, if possible.
- Total funding to outside agencies decreased by 5.3%, or \$59,460, the bulk of which is the library and adult incarceration decreases.
- Staff development for all employees is included at \$20,000.

General Fund, Proposed Local Revenues

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Revenue Type	FY15 Projected	FY16 Budget	\$ Change	% Change
Property Taxes	\$ 21,246,550	\$ 21,059,693	\$ -186,857	-0.9%
Other Local Taxes	776,662	670,000	-106,662	-13.7%
Permits, Licenses	58,679	51,800	-6,879	-11.7%
Fines & Forfeitures	36,240	50,000	13,760	38.0%
Use of \$ & Property	84,693	84,126	-567	-0.7%
Charges for Services	136,301	133,846	-2,455	-1.8%
Misc. Revenue	10,105	9,200	-905	-9.0%
Recovered Costs	856	800	-56	-6.5%
Total Local Revenue	\$ 22,350,086	\$ 22,059,465	\$ -290,621	-1.3%

General Fund

Proposed Intergovernmental Revenues

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Revenue Type	FY15 Projected	FY16 Budget	\$ Change	% Change
State:				
Non-Categorical Aid	\$ 758,280	\$ 756,369	\$ -1,911	-0.3%
Shared Expenses	841,578	841,639	61	0%
Categorical Aid	191,867	192,097	230	0.1%
Total State Revenue	\$ 1,769,119	\$ 1,747,518	\$ -21,601	-1.2%
Federal:				
Categorical Aid	\$ 89,577	\$ 95,351	\$ -5,774	6.4%
Total State/Federal Revenue:	\$ 1,881,302	\$ 1,885,456	\$ 4,154	0.2%

General Fund, Proposed Expenditures

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Function	FY15 Budget	FY16 Budget	\$ Change	% Change
General Administration	\$ 1,749,428	\$ 1,957,214	\$ 207,786	11.9%
Judicial Administration	437,644	451,037	13,393	3.1%
Public Safety	3,331,638	3,383,433	51,795	1.6%
Public Works	1,119,537	1,222,588	103,051	9.2%
Other Agencies	653,518	664,452	10,934	1.7%
Recreation & Cultural	587,610	632,303	44,693	7.6%
Comm. Development	539,905	522,908	-16,997	-3.1%
Trans to Other Funds	14,812,032	15,110,986	298,954	2.0%
General Fund Total	\$ 23,231,312	\$ 23,944,921	\$ 713,609	3.1%

FY16 Proposed Expenditures, Other Funds

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Fund Type/Name	FY15 Budget	FY16 Budget	\$ Change	% Change
General:				
Debt Service Fund 700	\$ 1,603,127	\$ 1,912,080	\$ 308,953	19.3%
Special Revenue:				
VPA Fund 201	1,889,069	2,019,716	130,647	6.9%
CSA Fund 204	187,630	175,000	-12,630	-6.7%
School Fund 205 (incl. café 207)	15,926,498	15,807,421	-119,077	-.7%
IPR Fund 400	11,415	11,720	305	2.7%
Econ Development F601	80,000	0	-80,000	-100.0%
Capital:				
Capital Fund 200	6,250,000	6,142,239	-107,761	-1.7%
Enterprise:				
Utilities Fund 800	357,364	456,726	99,362	27.8%
Fiduciary:				
Special Welfare Fund 350	37,729	37,873	144	0.4%
Agency on Aging Fund 390	\$ 32,287	\$ 32,287	\$ 0	0.0%

What Does This Mean for the Fund Balance?

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- FY14 total General Fund balance = \$16,369,129.
- Auditors recommend a fund balance equal to 20% of the total budget. For the FY16 proposed budget, this would be \$10,112,997. BUT—given the potential volatility of public service corporation taxes, the financial advisor recommends at least \$1,000,000 in addition to this.
- Current fund balance policy permits spending only up to 25% of governmental fund expenditures (less any capital expenditures funded with bond proceeds). In the FY14 CAFR this amount was \$6,054,838, approximately 37% of the current fund balance.
- Because the total fund balance increased \$2,585,300 in FY14, we propose to fund \$1,170,935 of the FY16 capital projects with these funds.
- The total current year fund balance is expected to increase by just under \$1M, a result of real property and public service revenues in excess of the budgeted amount. Final PSC values will not be received until September.