BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
Budget Work Session
March 4, 2021

Call to Order A Budget Work Session of the Stafford County Board of Supervisors was called to order by Crystal Vanuch, Chairman, at 2:00 p.m., on Tuesday, March 4, 2021 in the ABC Conference Room, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Crystal Vanuch, Chairman; Cindy C. Shelton, Vice Chairman; Tinesha O. Allen; Meg Bohmke; Thomas C. Coen; L. Mark Dudenhefer; and Gary F. Snellings. Ms. Allen participated in the meeting via conference call.

Also in attendance were: Frederick J. Presley, County Administrator; Michael Smith, Deputy County Administrator; Donna Krauss, Deputy County Administrator; Rysheda McClendon, County Attorney; Andrea Light, Budget Director; Cheryl Giles, Deputy Clerk; Julia Holmes, Assistant Deputy Clerk; associated staff and other interested parties.

Ms. Light stated that the purpose of the presentation was to provide information on General Fund revenues and expenditures for the FY2022 Proposed budget with the goal of an advertised tax rate on March 16, 2021. Ms. Light spoke about revenue assumptions and explained that the County was further ahead in revenue projections than anticipated eleven months ago. She then discussed real estate assumptions. Ms. Vanuch halted the presentation to conduct a vote to allow Ms. Allen to participate in the meeting via conference call. Mr. Coen motioned. Mr. Dudenhefer seconded. The motion carried 7 to 0. Ms. Light then provided data on property tax assumptions based on a $1.01 tax rate. She then spoke about assumptions within the Five Year Financial Plan in regards to school expenditures.

Ms. Light then spoke about changes to the personal property tax rate which was a three-part strategy. She discussed an increase in the Adjustment Assessment Ratio from 40 to 50% to align with comparative jurisdictions. She stated that staff recommended elimination of the Motor Vehicle License Fee and an increase of the personal property tax rate. She explained that the strategy would grow transportation funding by $4.2M at the end of the bond period, which would be sufficient for debt service. Ms. Light then discussed personal property effective rates in comparative jurisdictions.

Ms. Bohmke asked if the assessment ratio was controlled by the Commissioner of Revenue and did not have Board input. Ms. Light confirmed that was correct. Ms. Bohmke inquired if Ms.

Light knew how long the assessment ratio had been at 40%. Ms. Light replied that she would confirm with Mr. Mayausky, but believed it had been for a number of decades. Ms. Bohmke questioned how long the comparative localities had been at 50% and what had precipitated the adjustment. Ms. Light then provided an example of how a bill would be affected.

Ms. Light continued by discussing revenue projections effected by the pandemic. She reported that the December collections for sales and use tax were over $200M for the first time ever. Ms. Light said that in lieu of the Board's approval of a meals tax increase, revenues had begun to grow. She spoke about the transient occupancy tax being higher than expected. She cited the eliminated summer programs by Parks and Recreation as an adjustment to balance expenditures. Ms. Light stated that there had been a 7% year over year increase in building permits. She then detailed that interest was projected to go down in FY2022.

Ms. Light continued the presentation by discussing Equal Taxing Authority legislation provided by the General Assembly. Ms. Light then reviewed the proposed cigarette tax which would be a $0.30 per pack tax. The tax would generate $1M to be dedicated to Public Safety. The tax was supported by the Sheriff's department. Ms. Vanuch asked if the law would allow an increase of $0.40 per pack. Ms. Light said that was correct. Ms. Vanuch requested that revenue difference be brought back. Mr. Snellings asked where the $1M came from. Ms. Light explained that the calculations for the estimate was based on audits from comparative counties. Mr. Coen asked if the tax applied to other tobacco products. Ms. Light replied yes. Mr. Presley noted that if this were to be adopted, the County would be required to have a cigarette stamping authority, a tax board. He explained that Stafford would either have to create its own, or join an existing authority. He stated that peer localities were looking to join the Northern Virginia Cigarette Tax Board and explained the process for joining.

Ms. Shelton asked if the cost for the stamping authority was taken out of the estimated revenue. Ms. Light clarified that the fee was already subtracted and that the estimate reflected the net. Mr. Snellings asked if joining Northern Virginia was to keep Stafford from having to create its own stamp. Mr. Presley said yes. Ms. Allen asked if the projection included e-cigarettes. Ms. Light replied that it only contained regular cigarettes. Ms. Allen requested that the information be confirmed. Ms. Light noted that the Northern Virginia Cigarette Tax Board only meets two or three times a year and that they are scheduled to meet in April and would like Stafford to submit a memorandum of interest for review and approval. Ms. Light explained that the action was not binding but explained if Stafford did not get on their schedule, then the opportunity may not come again until September or October. Ms. Vanuch asked if Board action was required on March 16th. Mr. Presley replied that an item could be added to the agenda, but asked if there was Board consensus to send a memorandum. Ms. Vanuch polled the Board. The Board agreed unanimously.

Mr. Coen asked if data could be received on the decline of cigarette sales. Ms. Light said that the declines were 4.3 to 5.6% and as such, the revenue would be projected as declining in the outyears. Mr. Coen asked if the money went to the Sheriff's department or general revenue. Ms. Light explained that the money would be designated to the Sheriff's department. Mr. Coen expressed concern about the funding being inadequate due to potential declining sales.

Ms. Light then reviewed local non-property tax data. Ms. Shelton asked for further information about the bank stock tax variance and how it was reflected in the stock market. Ms. Light explained that bank stock taxes were challenging to project. She stated they are collected by the State and given out to localities. She then explained how the funds are generated. Ms. Bohmke asked if the $900K that was taken out of recordation and given to Hampton Road was in FY2020. Ms. Light explained that a part was in FY2020, then all in FY2021. She said that it goes into the transportation fund. She stated that recordation is divided into two pieces. One supports transportation which the State took and kept. The other part goes to the County, and had not been taken. Ms. Bohmke stated that the $900K would show up somewhere else in the budget. She stated that the General Assembly intended to reinstate the funds. She asked if it was in the Governor's budget. Ms. Light stated that she thought it had been removed. Ms. Light referred Ms. Bohmke to the transportation section of the budget book.

Ms. Light then discussed permits, fees, and licenses. She noted the strong increase of over 7% in building permits and fees. She stated that zoning permits and fees were down quite a bit. She spoke about Healthy Growth being one of the reasons for the decrease. Ms. Light reviewed data fines and forfeitures, and use of money and property. She then covered projections on charges for services, State revenue, State shared expenses, and Federal funds. Ms. Light then discussed projections within miscellaneous revenue and transfers in and other. Ms. Bohmke referred back to the miscellaneous revenue data and asked what the line item for Other Misc. Revenue was for. Ms. Light explained that it was primarily made up of internal service costs from Utilities and the R-Board. Ms. Bohmke asked about the Commissioner of the Revenue. Ms. Light said that for any internal service, there would be internal billing done by an outside audit company that provides its internal billing schedule. She stated that would be used to attribute overhead. Ms. Light then reviewed one-time revenues.

Ms. Shelton asked when the funding that Aquia Harbour offered to give to the Fire Station came in. Ms. Light stated that it was reflected in the proposed budget but that it could be added to Ups and Down upon more information being received. Ms. Bohmke asked if the $3M in Public Safety set asides from the CARES Act for Aquia Harbour was for the personnel there. Ms. Light stated that it was for the Aquia Harbour Fire and Rescue rebuilds. Ms. Bohmke stated that there was also $4.4M reserves for Aquia Harbour rebuild and noted that there were two separate numbers. Ms. Light said that they were both for rebuild and came from different sources. For the Aquia Station rebuild, staff tried to find as much revenue or existing funding without having to finance anything for the station. She stated that it was all within the CIP. Discussion ensued about remaining CARES Act funding.

Ms. Light then spoke about the theme of Recover, Restore, Realign as applied to General Fund Expenditures. The intention was to return expenditures to pre-pandemic conditions, provide excellent service, and to align with the Strategic Plan. She presented General Fund expenditures from High to Low and expenditure assumptions. Mr. Coen asked in regards to the Restore line, if the positions needed to be brought back, or if they were being brought back just to restore everything there was last year. Mr. Presley reported that all of the positions had been reevaluated. Ms. Vanuch asked if the department reductions also included the 10% operating cost. Mr. Presley stated that staff was restoring 20% of that. Ms. Vanuch asked if he meant 20% of the 10%. Mr. Presley replied correct. Ms. Vanuch clarified that 80% of the 10% was being taken away. Mr. Presley said that was correct. Mr. Presley explained that it was being phased back in so it was not a big hit the first year. Mr. Coen said it would be helpful to clearly articulate data when communicating across the street.

Ms. Light then reviewed the 16 positions requested by Fire and Rescue which included: a twelve-member crew, a Fire Marshall Inspector, a Financial Analyst, an HR Specialist, and an IT Support Tech II. Ms. Bohmke returned back to the High to Low data and asked that the General Government pay scale adjustment and salary increase be divided into two lines. She then expressed support for Mr. Coen's comments and wanted to know what was being restored. Ms. Bohmke asked that gross versus net data be broken down. Ms. Bohmke asked how many General Government positions were being restored. Ms. Light referred Ms. Bohmke to the personnel section of the budget book on page 329 where all the proposed positions were listed and explained.

Ms. Light covered the proposed Sheriff's Department Positions which included: five Deputy Sheriffs, a Deputy Sheriff II – Traffic, a Deputy Sheriff II – Body Camera, an Animal Care Taker I, a Financial Analyst, an IT Support Tech II, and a part-time to full-time conversion for a Deputy Sheriff - Investigator, for a Deputy Sheriff II – Warrants, and for an Accounting Tech. Ms. Vanuch asked if the HR specialist for Fire and Rescue was going to be shared with the Sheriff's Office. Mr. Presley stated no and that they were going to be dedicated to the Fire Department as the departments have very different needs.

Ms. Shelton asked where the twelve-member Fire and Rescue crew was to be stationed. Ms. Light stated that Fire and Rescue was looking at their needs in regards to where to place the crew. Ms. Light stated that she would follow-up with that information. Mr. Snellings said that it was going to be Fire Station 2. Ms. Vanuch spoke about strategic placement of crews and medics. Ms. Bohmke asked if that information was written up in the budget book. Ms. Light said that it was not included at time of publication because that information was not yet received.

Ms. Bohmke asked that the information be shared once Chief Cardello provided it. Ms. Light stated that she would speak to the Chief that day and add the information to Q&A's and to the website. Mr. Presley stated that they could have Chief Cardello to come to a future work session to answer questions and gain feedback.

Ms. Light continued by discussing proposed revenue neutral positions and proposed position conversions. Mr. Snellings asked if the County Attorney for Utilities was being funded by the Utilities Fund. Ms. Light replied yes, 100%. Ms. Vanuch asked if the position had been requested awhile ago. Mr. Presley responded last year. Ms. Light resumed reviewing the proposed positions. Mr. Coen inquired about what review had been done to ensure that fees had been sufficiently raised to make the positions revenue neutral. Ms. Light replied that all of the positions in the chart which had a number two behind them were positions with reallocated expenditures. The positions with a number one were positions with an alternative funding source. Mr. Coen asked if there was a key to illustrate what the ones and twos were. Mr. Smith stated that there was a chart that explained the numbers. Mr. Coen said he would be more comfortable if the funding was more clearly delineated. Mr. Presley stated that notations would be made in the budget book. Ms. Light said she would review the positions to make sure that there was information about the funding source.

Ms. Light spoke about investments in core capacity and detailed the proposed positions aligned with that initiative. She discussed a Planning Technician – Application Intake proposed position from Planning and Zoning. Ms. Vanuch asked what the people sitting at the window were doing, because anytime she had needed something in Planning and Zoning, those people would process the application. Ms. Light explained that those were Building Permits staff and not Planning and Zoning intake. Mr. Presley spoke about feedback on the involved process needed for Planning and Zoning Applications how there would often be a wait. He stated that this person would be dedicated to always being up front to assist customers. Mr. Presley spoke about feedback staff had received from the Board to put something forward to have a dedicated position. Ms. Vanuch asked if Planning and Zoning fees would be increased to offset the cost of the position. Mr. Presley replied that could be looked at. Ms. Shelton said she needed to see a process flow that showed how much time was being spent in each area so that the Board knew if that would be the best place to spend that money. Mr. Presley said that they would ask Director of Public Works, Jason Towery and Director of Planning and Zoning, Jeff Harvey to provide feedback about the duel roles of the existing positions, but noted that the Planning technician was recommended by both directors. Ms. Bohmke spoke about the wait issue and that something needed to be done there. She said that a $90K person seemed expensive. Ms. Bohmke asked what comparative counties were doing in these areas. She then asked for data on the issue and how to fix it. Mr. Smith spoke about the processes of the Community Development Service Center staff and their role in taking basic Planning and Zoning applications. He spoke about the need for someone with more extensive Planning and Zoning knowledge to assist customers. Mr. Coen referenced previous discussions about this issue and mentioned the use of volunteers or setting an appointment for complicated plans. Mr. Towery spoke about the complexity of Planning and Zoning applications, questions, and complaints, and how their intake increases wait time for Building applications. He spoke about the delays in process analysis caused by COVID-19 and that now was a great time for those discussions. Mr. Towery stated that more information could be brought back if needed. Mr. Snellings agreed with Ms. Bohmke said that if you hire one person, then that solves the problem for one customer. Ms. Vanuch said that the Board would have a lot of questions about the position. Ms. Shelton said that a value stream analysis was needed.

Ms. Light continued to discuss the Investments in Core Capacity positions. Ms. Shelton asked what the return on investment was for the body cameras compared to the total cost of ownership. Ms. Vanuch said that she did not remember voting on that. Ms. Light explained that it was in the FY2021 CIP where it was funded through asset forfeiture. She said that the body cameras did not score high in the TRC, but because it had an independent revenue source, it was in the CIP. Ms. Vanuch inquired if cars could be paid for through asset forfeiture. Ms. Light said she would have to follow-up and noted rules involved in assets forfeiture funds. Ms. Vanuch said she saw headshakes from the Board agreeing with pushing off the body cameras because of the long-term costs. Mr. Coen said he would like a clear full cost breakdown. He asked if other localities were doing storage of data differently. Ms. Light commented that warranty and storage was about $195K. She stated that additional information would be provided to the Board.

Ms. Vanuch requested a breakdown on the need for the Investments in Core Capacity positions. Ms. Light explained that the personnel section of the budget book held information about each position and the funding involved. Ms. Bohmke asked about the County Attorney position listed under Revenue Neutral and Conversions and if they would be dedicated to Social Services. Mr. Snellings stated that Social Services had their own outside attorney. Ms. Light said that the County Attorney would be 100% funded by Utilities.

Ms. Light highlighted General Government Expenditures which as proposed, totaled $18,926,433. Mr. Snellings asked how $30K for diversity funding was determined. Mr. Presley replied that it was a placeholder for Board discussion and spoke about the creation of the Diversity Advisory Coalition and their request for a budget. He noted that the Coalition was unsure about the full need of their budget. Mr. Snellings stated that it would set a precedent. Ms. Vanuch said that a plan was needed before a budget was approved.

Ms. Light discussed Public Safety proposed expenditures which totaled $78,281,020. She noted that the 9 proposed positions for the Sheriff's Department and 16 for Fire and Rescue in the FY2022 budget made up for the bulk of the increases. Ms. Bohmke spoke about the jail superintendent having a difficult time keeping employees and asked if they were a part of the compensation study. She asked what the difference was between COLA and Merit. Mr. Presley said that they were not on scale and that there was not a step plan. He stated that the jail was proposing a 1.5% COLA and Merit. Ms. Vanuch stated that she spoke with the superintendent who said that they believed the employees would be included in the State's 5% increase. She spoke about following up with additional information for potential changes.

Ms. Light covered Investments in Public Safety Cyclical Replacement. She spoke about $287,205 in cyclical replacement funding in the Sheriff's Office. She discussed budgeting practices for replacement of vehicles and a one-time funding of $922,319 for vehicles. She spoke about $160,000 in one-time funding for Fire and Rescue staff vehicles, on-going of $50K, and partial on-going funding for one of three ambulances. Ms. Light then discussed Judicial Administration, Community Development, and Health and Social Services expenditures. Ms. Shelton spoke about insufficient funding for Rappahannock Area Community Services Board (RACSB) from partner agencies and asked for additional discussion. Ms. Vanuch requested a listing of what the partner agencies provide to RACSB. Ms. Bohmke agreed with Ms. Shelton and spoke about concerns about mental health and the need to do more with RACSB. Mr. Snellings asked how much was requested. Ms. Light replied, $449,037 which was approved. Mr. Snellings clarified that RACSB received what was requested. Ms. Light replied yes. Ms. Shelton spoke about the desire for partner agencies to communicate to the Board what they need in terms of funding.

Ms. Light continued the discussion with Parks, Recreation, and Cultural expenditures. Ms. Bohmke spoke about the organizational makeup of the library and asked if it was State agency or an agency of Stafford county. Director of Community Engagement, Andrew Spence stated that because they are designated as a regional library, they are considered a quasi-governmental agency similar to the Virginia Outdoors Foundation. He stated that their employees were not State employees, but employees of the regional organization. Ms. Bohmke asked whose HR policies they followed. Mr. Spence replied their own. Discussion ensued about organizational structures of the library. Ms. Vanuch asked for additional information to address the proposed 3% raise for the library and their proposed increases. Ms. Light stated that the full library budget would be provided.

Ms. Vanuch asked about the Parks and Rec increase of $1.3M. Ms. Light clarified that the increase stemmed from temporary hours that had been restored and minimum pay increase from $9.50 to $11.00 on January 1 of 2020. Ms. Bohmke asked if the $1.3M was broken down in the budget book. Ms. Light said that the individual position break down could be provided to the Board.

Ms. Light then discussed Public Works expenditures. Mr. Snellings asked if the plan to sell the old Anne Moncure Elementary School had changed. Mr. Presley said that was still the plan. He stated that there had been no initial interest, but once things calm after COVID-19, the plan would be readdressed. He spoke about temporary usage of the space in the meantime which necessitated maintenance of utilities for the site. Ms. Shelton requested a date for the plans. Mr. Presley said that staff would come back to the Board with a proposal from Economic Development.

Ms. Light continued by covering Education expenditures. Mr. Dudenhefer asked if county staff had received any requests from the schools since last year to reallocate their overage. He asked if that was projected in the table. Ms. Light stated that yes, the year-end funding was being proposed in the CIP to be used for High School #6. Mr. Dudenhefer inquired about the schools' operating budget. Ms. Light explained that there was $6M leftover at the end of last year. Ms. Light clarified that those funds would be spread out over the life of the high school. Mr. Coen requested clear data on the carry over funds. Discussion ensued about school funds. Mr. Coen then requested follow-up information about the Germanna nursing program.

Ms. Light provided information on the Stafford County Public Schools budget and noted that it was the largest increase to the schools in over ten years. She stated that the School Board requested about $12.3M compared to the Superintendent's request which was $9M. She explained that the School Board included service scale enhancements and additional social service workers. Ms. Light then highlighted a table of non-departmental expenditures. She then discussed transfers to the Capital Projects Fund and data on the Stormwater Grants Program. Ms. Shelton stated that she would like to move forward with the stormwater pilot program. Mr. Dudenhefer spoke about his concerns about the funding being insufficient in the program and that it needed strict guidelines on funding allocation. Mr. Coen asked for more information about what the long-term costs of the program would entail. Ms. Bohmke spoke about involvement in peer localities in the program. She then spoke about evaluation of the pilot program after year one. Ms. Shelton echoed comments by Ms. Bohmke and spoke about the structure of the program. Ms. Vanuch requested a follow-up discussion on the Stormwater Grants Program.

Ms. Light then discussed funding outlined by the State Budget Conference Report which included a 5% teacher salary increase and a 2% increase over the biennium by localities. Mr. Dudenhefer asked if it was 5% plus 2%, or 3% plus 2%. Ms. Light stated that the teachers would have to get a 5% raise and the County would have to kick in 2% of that. Mr. Dudenhefer noted that it only applied to Core positions and asked about the delta between the other positions. Ms. Light replied that in the Superintendent's proposed budget, all employees were getting a minimum of 5%. She added that with the teacher pay scale adjustment, some employees could get more. She spoke about additional enhancements to the service scale employees. Mr. Dudenhefer asked if that referenced the Superintendent's budget and not the School Board's which had an additional $3M. Ms. Light explained that the $3M was for additional service scale

adjustments for Social Services positions. Mr. Snellings requested that the schools provide data on turnover broken down by cause. Mr. Dudenhefer asked for figures about the decrease in student population. He spoke about funding in regards to vacancies. Ms. Light reported that in the previous year's budget there was about $2.5M in vacancies which was being built in.
Ms. Light reviewed the questions for the schools posed by the Board. She then asked if there were additional questions from the Board to be brought forward at the joint work session to help in advertising a tax rate. Mr. Coen asked which budget would be shown on Tuesday. Ms. Vanuch said that it would be the School Board's.

Ms. Vanuch polled the Board about whether the one-hour Board Budget Work Session on March 9 was needed before the Joint Board of Supervisors and School Board Budget Work Session. Mr. Presley noted that there was a combined Finance Audit and Budget/Budget Work Session meeting scheduled for March 16. Ms. Vanuch said that with the County buildings open to the public, she asked Mr. Presley to move the work sessions back into the Board chambers so that the public could attend, and so the fee for streaming was not needed. She stated that except for the School Board meeting, the rest of the work sessions would not be televised. Mr. Dudenhefer remarked that for years, the work sessions had been held in the ABC Conference room. Ms. Vanuch stated that they could not be held in the ABC Conference room with public attendance due to COVID-19. Discussion ensued about COVID-19 restrictions.

Mr. Coen asked Ms. Light to provide details on COVID-19 reserve repayment. Ms. Light stated that the County did not have to dip into reserves except for $239K to balance the FY2021 budget. She said that because revenues were coming in strong, that she did not anticipate negative revenues or use of reserves. Mr. Dudenhefer remarked about potential additional stimulus funding. Mr. Presley reported that an initial estimate from NACO estimated that the County could receive about $29M, and $15M for the schools from the Department of the Treasury.

Ms. Vanuch asked if the Board wished to hold the one-hour Board Budget Work Session on March 9. Mr. Snellings commented that he did not think it was needed. Ms. Vanuch agreed. Ms. Bohmke inquired about upcoming work sessions. Ms. Shelton said that she thought the meeting was needed. Mr. Snellings, Mr. Dudenhefer, and Mr. Coen stated that they did not think the meeting was necessary. Ms. Vanuch proposed that the joint FAB meeting start an hour early to accommodate additional questions. Ms. Allen agreed that the meeting was not needed. Ms. Vanuch asked if there were additional questions for the schools. Mr. Presley commented that additional questions could always be sent to Ms. Light and himself. He stated that the answers would be provided to the Board before the March 16 meeting.

Ms. Bohmke asked for a breakdown of the $3.4M listed under miscellaneous revenue. Mr. Smith stated that additional information would be brought back. Mr. Smith asked Ms. Vanuch for confirmation on the Board's use of the chambers because of the Court's current daily use of the space. Ms. Vanuch remarked that she already spoke to Mr. Presley about it. Mr. Smith said that he wanted to be sure that the Board was all on the same page.

Adjournment At 4:10 p.m., Chairman Vanuch adjourned the March 4, 2021 Stafford County Board of Supervisors budget work session.

Frederick J. Presley
County Administrator

Crystal L. Vanuch
Chairman