BOARD OF SUPERVISORS
STAFFORD COUNTY, VIRGINIA
MINUTES
REVIEW OF PROPOSED FY2023 BUDGET AND PROPOSED CIP
BUDGET WORK SESSION
MARCH 31, 2022

CALL TO ORDER – A work session of the Stafford County Board of Supervisors was called to order by Crystal Vanuch, Chairman, at 5:00 p.m. on Thursday, March 31, 2022, in Meeting Room ABC, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

ROLL CALL – The following members were present: Crystal Vanuch, Chairman; Pamela Yeung, Vice Chairman; Tinesha Allen (arrived at 5:17 p.m.); Meg Bohmke; Thomas Coen (by phone); Darrell English; Monica Gary.

Ms. Bohmke motioned, seconded by Ms. Gary to to approve the electronic participation of Mr. Coen.

The Voting Board tally was:

Yea:	(6)	Allen, Bohmke, English, Gary, Vanuch, Yeung
Nay:	(0)	

Also in attendance were Frederick J. Presley, County Administrator; Rysheda McClendon, County Attorney; Cheryl Giles, Deputy Clerk; various staff members; and other interested parties.

1. REVIEW OF GENERAL FUND FY2023 PROPOSED BUDGET
Ms. Andrea Light stated that high school debt service in 2024 would increase to $4.3 million, and by 2027 would be almost $10 million. She said that operating costs would begin at $6.7 million in FY2026, and nearly $17 million per year would be invested in debt service and operating for High School #6. She stated that they continue to assume an increase in funding to meet increased enrollment and also provide increases in per-pupil funding.

Ms. Light reported that the Sheriff's body-worn camera initiative continues to move forward and will require new positions in that department and the Commonwealth Attorney's Office, which are spread out between FY23 and FY24. She said that ARPA funds currently support the cameras, which will move to 100% general fund by FY27. She stated that to support public safety, they will need additional deputies in the outyears. She stated that Fire & Rescue have shared their Standards of Coverage report with the Board and the need for increased personnel; this plan only added 63 positions over the next five years, which is significantly less than what Fire & Rescue requested, and FY23 doesn't meet their request as well.

Ms. Light stated that the superintendent and school staff had presented an updated CIP request and anticipated that there would be some savings if they do elementary schools together, so that wasn't reflected in the numbers presented because they were preliminary estimates for their opening cost. She said that the plan presented adds $173 million in increased costs to the CIP, and annual debt service would be $14.5 million, equating to about 6.7 cents on the tax rate. She said that while they are anticipating some savings for building schools together, they also have land acquisition costs, and Hartwood replacement and Elementary School #19, and in future CIPs, the Board may want to fund that with a set-aside for land acquisition to help further reduce those costs.

Ms. Light stated that with the CIP options they are the changes approved by the School Board and provided by the superintendent and staff had presented, staff is providing the Board with two options to consider. She said that option one is to focus on the Drew Middle School replacement as the most important priority, with the second option having an elementary school focus. She said that the Drew Middle School replacement includes assumptions that all bond-funded Fire & Rescue projects are removed, including the joint training center. She said that at the last work session, they discussed a bond referendum for those and putting those back in the CIP after the referendum. She noted that it also removed all park-funded projects, which were in the outyears, reducing 3R funding by about $2.2 million, with a real estate tax rate of 88.5 cents. She stated that option two has primarily the same assumptions but focused on an elementary school to open in FY26, Hartwood in FY27, and Drew Middle School replacement opening in FY33.

Ms. Light stated that in discussions with school staff, they would support moving forward with elementary schools before Drew, but they need to work back with the School Board as well. She said that staff is seeking guidance from the Board on the CIP and which direction they would like to pursue with school staff; as time permits at this meeting, they will look at the CIP and get their input.

Ms. Light stated that staff has provided a list of steps in the bond referendum and explained that it starts with the Board's approval to move forward either by ordinance or resolution. She said that it is then certified by the Clerk of the Board and filed by the County Circuit Court. She stated that there would be a special election identified, which typically would be the November election; the court order for the referendum would be sent to the state board and the ballot prepared by the registrar. She said that throughout this process, Community Engagement, the County Attorney, Finance, and the Budget and Management Department would be actively engaged in the planning and action steps necessary to bring this to fruition, while continuing to engage the Board for policy direction.

Ms. Light reported that if the bond referendum is approved by voters, the County has approximately eight years to issue bonds—which would require work with Finance, Budget and

Management, County Administration, and/or financial advisors. She said they would do presentations to rating agencies, and bonds were either sold through competitive sale or negotiated sale. She noted that they typically do competitive sales when there is a higher rated locality, and they would draw down those bonds and pay debt service on those draws to align with project needs. She said that if it were November 2023 when they were approved, it would still take a certain amount of time before the bonds could be drawn down.

Ms. Light stated that to cut $4 million, they would start looking at new personnel requests, and staff is recommending removing the Legal Assistant for the Commonwealth Attorney for the body-worn cameras. She said that this is due to the Sheriff's Office current proposed schedule, and due to supply-chain issues, the camera initiative would be slightly delayed. She stated that the in-car cameras would be deployed in the winter months; after that, they would start with the body-worn cameras, and that would go to one squad at a time. She said that the squad would be stood up and would understand how to use the cameras, while ensuring compliance with the policies that the department develops; then it would move onto the next squad. She said that the Code of Virginia stipulates that there must be one Assistant Commonwealth Attorney for every 75 body-worn cameras, but staff feels that removing the Legal Assistant and leaving the Assistant Commonwealth Attorney midyear and the Paralegal for the entire year would still allow the Commonwealth Attorney to meet the requirements, do some of the back work, and fill that in.

Ms. Light reported that for the Field Ops Sergeant, there is a vehicle that was associated with that, and they think that should be removed, with one-time funds used for it. She said that this means they still get the vehicle, but the County is just not using ongoing operating funds. She stated that the Records Specialist, because they are pushing the start of the body-worn cameras, would push to a March 1 start. She said that the specialist would be integral in the FOIA data that accompanies use of the cameras.

Ms. Light stated that other public safety requests include five field operations positions for sheriff's deputies, and staff proposes moving those to midyear and move three vehicles to one-time funding, as well as eliminating overtime. She noted that since they won't be starting the academy until midyear, that provides a little bit of savings, as they won't have overtime because they will be in the academy. She added that they can lower the ongoing vehicle costs.

Ms. Light reported that for the Communications Officer III positions, staff recommends that they get changed from four to two. She said they currently do have some openings, and that is a high-turnover position, but they do have authorization to overfill. She said that this would help with some of their turnover. She stated that staff does not recommend any changes to Fire & Rescue for their Field Supervisor and Battalion Chief positions, as those are already projected to be at midyear in the proposed budget, with the transport unit staffing that is the north and south ambulance staffing.

Ms. Light stated that for the remainder of general government personnel requests, the proposed budget reflects moving the Commissioner of Revenue Personal Property Specialist position to midyear; moving the Building Maintenance Mechanic out of ongoing funding to one-time funding, similar to the Sheriff's Department vehicles; removing the Network Engineer position, as IT has Network Analyst positions that it is currently filling, and this can be revisited in the FY24 budget. She said that for the Cultural Resources Specialist Planner III, Planning and Zoning said that could be a midyear request; staff also recommends moving the Revenue Collections Specialist to midyear, which would align with the timing of the Board's adoption of that position in the prior year.

Ms. Light commented that with these changes, they are already at $1 million in reductions.

Ms. Light reported that there are some proposed expenditures that staff recommends moving to one-time funding, including vehicle replacement of County vehicles that could be moved to one-time or removed; that was an increase typically in the base budget of $100K per year. She said that the second item was a stormwater grant program, which was adopted by the Board this year, and staff recommends using one-time funding. She stated that as part of their financial policies, staff recommends considering a year-end fund balance commitment for stormwater grant program that the Board could then appropriate to those grants. She noted that this would allow the Board more flexibility depending on where year-end balance came in, and it would also allow the County to look at the grant program to see how successful it was and perhaps make more real-time decisions on the revenue and expenditures.

Ms. Light stated that capital construction costs include a vehicle, which staff recommends moving to one-time funding. She said that Fire & Rescue and the Sheriff's Department both have replacement of equipment as some ongoing needs, but those could be moved to one-time. She noted that this brings them to almost $1.5 million in reductions.

Ms. Light said that staff looked at all the proposed requests that were ongoing and those items they felt wouldn't hurt ongoing operations, and they have identified a number of them as indicated. She explained that the first was the internal audit contract support, but Stafford does not currently have that, so it wouldn't change what the operations were today and would be an enhancement when adopted. She stated that computer supplies in cyclical replacement for Board members represented a small amount. She stated that the Sheriff's Department is behind in its vehicle replacement funding, but this would take about $272K and still allow for an increase over the prior year. She said that they had funding to purchase electric vehicles for ongoing operating and recommend removing that.

Ms. Light reported that Economic Development had some training and targeted marketing, including some digital ads to enhance their operations, and staff recommends taking those out. She said that Human Resources had enhancement of recruiting functions totaling about $40K, which staff recommends removing. She stated that there were also several development initiatives: Several years ago, the Board had 25% of Merchants Capital going back to development initiatives, and this was handled through the County Administration Office. She explained that this would include such as designs for studies; in the proposed budget, staff had requested that it be put back; it was cut in FY21 to the full 25%, but they feel they can continue operations with that removed. She said there was a restoration of 10% of reductions to government budgets in FY21, and this would reduce that by half. She stated that there are various departmental training requests that would also be reduced by half.

Ms. Light stated that staff's final recommendation is to reduce the 6.5% salary increase to 5%, which would create savings of $1.7 million but would still allow the Board to achieve the public safety step plan and for all employees to receive the 5% increase.

Ms. Light said that she would review the ups and downs, and she offered to answer questions.

Ms. Bohmke stated that under "Capital and One-Time Projects," she said that the Commonwealth Attorney items did not add up to a lot until the renovation to accommodate for increased body cameras—personnel. She read the itemization of "remote access, independent DISC raid server, six new wired network outlets," and other items. She asked why all of these items would be needed if all of this information would be in the cloud.

Captain David Stout stated that he does not know what they would be required for, as everything is based in the cloud and they don't need those items. He said that everything for the body-worn camera project is cloud-based, which covers the fleet cameras in the car and the body-worn cameras. He said that he wasn't sure why that was needed or requested.

Ms. Vanuch asked Ms. Bohmke to repeat the request she was referring to.

Ms. Bohmke stated: "Remote access independent disc (RAID) server, six new wired network outlets, OMNI document management with $3K per year software maintenance, Windows-based tablets, and renovation to accommodate for increased body-camera personnel at $210K." She clarified that this is under the Commonwealth Attorney's budget.

Mr. Mike Cannon explained that he has spoken to the department, and they were looking at this server because they needed to download video footage and be able to use it in court cases.

Captain Stout stated that the vendor, Axon, does not recommend that they download anything from the cloud for security purposes—everything stays in the cloud.

Ms. Vanuch asked Mr. Cannon to reach out to Eric Olsen's office with Captain Stout to make sure everyone is on the same page, and perhaps there is a different purpose for this.

Captain Stout said that even when they share it with the Commonwealth Attorney, it would be via link.

Ms. Vanuch asked that he double-check with Mr. Olsen just to be sure.

Ms. Yeung asked if the CAD system was part of this.

Ms. Vanuch confirmed that it was totally separate.

Ms. Yeung said that she recalled with CAD that there was also a program they didn't need right away.

Captain Stout explained that when they talk about CAD integration, it refers to how it would integrate with the CAD itself; Axon does have CAD integration with their current CAD vendor. He said that when they go out to RFP, they would need to stipulate that there need to be that same CAD integration.

Ms. Yeung commented that the CAD integration is 2025 and could be pushed and not in the current budget.

Captain Stout confirmed that it was already integrated, and it was mirroring up the calls for service that come in. He said that every night, a CSV file is essentially pulled from CAD and migrates with the CAD information to make sure what a call was—domestic disturbance, chase, DUI, etc. He said they refer to this as "categorying" so it will classify the calls as they come in.

Ms. Bohmke asked if Ms. Rudy could provide more detail on her positions, noting that they often pay for themselves.

Treasurer Laura Rudy said they were trying to justify the position, and they have done a lot of things over the past 15 years. She said that before she became Treasurer, they had the lockbox service for utilities; it was in Merrifield, then moved to Baltimore for about five years—and there were some issues with that. She said they closed that in 2015 and brought those payments back to the Treasurer's Office, but it became too much for them to handle. She stated that with COVID and the uncertainty of that, they decided to go back to the lockbox services in Baltimore; in April/May 2021, Wells Fargo contacted the County and said they were reducing their 20 lockbox centers down to six locations; with that, it went to Philadelphia. She said that she was very concerned about that process and potential issues, so they started looking at different avenues, which took a bit of time to research and procure. She stated that they started in October with Philadelphia and had nothing but issues, so they knew it would be additional work to bring it back into the department. She commented that it's been okay, but they are not sure when things would be getting back to normal, and they did ask for the position through the budget process. Ms. Rudy added that this was something that they would no longer be paying the bank for, and she wasn't sure if that would be a cost-neutral change or not.

Ms. Bohmke said she also had a question about the health benefits holiday and where that stood.

Ms. Light responded that staff would recommend looking at that outside of the budget process, noting that they would be having open enrollment in May and want employees to make the best decisions for their family's healthcare needs. She stated that the fund balance held for health insurance savings can be used at the discretion of the Board to go to a health insurance holiday after the County has accurate information as to who is on the health plan and how the Board wanted to distribute that.

Ms. Vanuch noted that it didn't cost anything on the tax rate or budget; it was used from health savings. She said there were two options: Wait until people enroll in May, then reassess and see what plans they enrolled in and pay for the whole thing; or give them a stipend for what they paid in FY22.

Ms. Bohmke stated that she also had a question about partner agencies and had a conversation with Donna Krauss earlier in the day. Ms. Bohmke said the partner agencies on the list had requested a $488K increase, and it appeared that the County had allocated $280K. She said that she had some questions about specific agency increases of $25K or so, and she could talk to Ms. Light and the Board about them but felt they could come down by $10K-$15K.

Ms. Bohmke said her next question related to understanding the Fire & Rescue volunteer process. She said that if she understood Ms. Light correctly, in FY23, they had roughly $428K as a line-item budget for Fire & Rescue for the volunteers that goes to uniforms, training, and repairs of about $85K. She said they also have about $200K for volunteers in their CIP, currently having a fund balance of $506K, which has been an accumulation of their ending fund balances over the last few years. Ms. Bohmke asked how the stations go about getting any of their bigger projects approved, whether there was a volunteer CIP process, who was on that board, and how those decisions were made.

Assistant Chief Joe Grainger explained that the total allocation of the General Fund budget is a little bit more than $900K, with much of that for building operating costs and utilities costs. He stated that within that set-aside funding this year, there is $87,500 for one-time funding—which would be for unscheduled repairs within the volunteer system. He stated that there is a one-time committee that is comprised of headquarters staff, volunteer coordinators on the committee, and volunteer leaders from the volunteer stations. He said if a station has an unscheduled repair that they need, they process it through the one-time funding committee for approval; once it is approved by the committee, they transfer the funds and assist them with the process of making the repairs. He stated that if they have a project that exceeds the bucket of funds, the $200K is the Fire & Rescue Department's 3R money. He noted that historically they have requested $300K; this year it was set at $200K, and it is used for projects that are beyond the scope of the one-time funding committee or are more complex than they have to manage. He said that an example of that would be the work they just did at the Rock Hill Fire Station.

Ms. Bohmke asked what the process would be for getting access to those funds, and who made those decisions.

Chief Grainger responded that the one-time funding committee was responsible for approving or denying access to the $87,500, and he doesn't know if there has ever been a submission that was requested for a building repair or maintenance project that was turned down by the committee.

Ms. Bohmke asked about the $200K committee.

Chief Grainger explained that it runs through his office, and they work with a number of stations to get projects done.

Ms. Bohmke asked if there was a list of projects she could see.

Chief Grainger said that he could provide her with a list of projects accomplished and those that are currently in the works; many of those are going through job-order contracting. He noted that they were a bit more restrictive with projects during COVID because they were only trying to take care of mission-critical and emergency operations essential projects.

Ms. Bohmke stated that the Board would like to see those. She said that her last question related to volunteer funding and the funding formula. She said that in looking at a station like Falmouth, she wanted to understand why—as the largest and busiest station in the system—could have gotten $2,500–$4,000 less.

Chief Grainger replied that he had provided the Board with a brief update on how they fund the volunteer Fire & Rescue system, and he would be happy to provide more research. He explained that until FY19, the volunteer system was funded on a performance-based budgeting approach—so stations that staffed more were funded at a higher level. He said that the base funding for a station that ran no calls and staffed 0% was around $3,500 per station; other stations that staffed a lot and ran a lot of calls received more than $100K per station. Chief Grainger said that they found there were deficiencies in the way they were funding stations, so they transitioned four years ago to a level base budget with the buckets of funding as discussed. He noted that every station is afforded $1,000 for accounting and auditing fees to help the volunteer stations with completing their taxes annually. He said there was a $5,000 contingency line afforded to every station and $2,500–$5,000 for training at every station, so every station has an operating budget they can run their department from, which is afforded annually through the budget process. He noted that Fire & Rescue provides them with monthly reports of their budget and spend at each association meeting. He said that the set-aside of $87,500 for repairs and $40,000 for Fire & EMS training are set aside as reserves for unexpected repairs or training that exceeds their operating budget.

Chief Grainger stated that they have done some analysis of where they have been since FY19, and there is some money left in the Fire & Rescue system in reserves; as the system has become more comfortable with the process, they are spending their money better and accomplishing more. He noted that in FY20, there was $165K left in the budget; in FY21, they will likely have $50K-$75K in fund balance reserves.

Ms. Bohmke said that she remembered when they changed the funding formula four years ago, because there was excess in the system and it needed a better process. She asked how other departments handled their CIP requests, as she was trying to understand how it happened in Fire & Rescue.

Ms. Light explained that each department has a capital need does that through the CIP process, typically starting in August.

Ms. Bohmke asked Chief Grainger if that was the same for Fire & Rescue.

Chief Grainger responded that Ms. Light and her staff have been very gracious in providing a set-aside for 3R money, and much of their projects are completed in a more reactive fashion versus anticipating capital needs for the future. He stated that Fire & Rescue does a fairly good job of planning for apparatus purchases and new facilities construction—but the replacement, renovation, and repair projects are done in a more reactive fashion.

Ms. Bohmke stated that there needs to be a process in place whereby the volunteer chiefs or whomever is in charge of this part of the budget submits things to him so that he can see how long they've been on the list, what they are, what the metrics are for importance, implications of project deferral and long-term maintenance costs, etc.

Chief Grainger commented that they can certainly do that.

Mr. English asked how the insurance and utilities were paid on each building.

Chief Grainger responded that it comes out of the Fire & Rescue budget, not the buckets he was referring to.

Mr. English asked if organizations were still fundraising and if the money they got stayed within their stations for their own projects.

Chief Grainger confirmed this.

Mr. English asked how many organizations were currently soliciting funding.

Chief Grainger responded that about half in the volunteer system were actively fundraising, so about five or six.

Ms. Yeung said that it was not popular to suggest that funds be taken back for positions not filled in one or two years, but some departments had voluntarily reported their savings and that they were returning some of the money. She asked if there was some way they could look at every department's year-end savings and whether that would be helpful to the Board in reaching the $4 million.

Ms. Light confirmed that staff could provide this information in the next Q&A.

Ms. Gary stated that she felt the stormwater grant program would be very popular once it was up and running, as there are significant concerns and issues—so perhaps they could take it on as a one-time cost for now but realize that it would likely need to be funded in the future.

Ms. Gary asked about the internal audit contract support, as Ms. Light had commented that it would be an asset when they do it.

Ms. Light responded that staff could come back to the Board and update their financial policies, so this could be funded out of year-end money at a rate the Board felt was appropriate. She said that currently the placeholder is going to be $100K, and as these start to come through, they may be able to raise that. She said that using one-time year-end dollars would allow the Board to react much quicker than waiting for the budget process each year.

Ms. Light stated that the internal audit would help operations and the review of the performance of a department, so an internal auditor could come in and see what is being done and not being done related to specific metrics. She cited transactions as an example, with an auditor determining whether they are meeting policy requirements. She emphasized that it was an advantage to have someone who looks through transactions and help the County better align with policy.

Ms. Yeung asked how the $100K would be allocated and whether it would be a percentage, because she knows of one person already in Garrisonville who has been waiting for five years.

Ms. Light responded that the Board approved the grant program, and staff could provide the information and criteria back to them.

Ups and Downs

Ms. Light reported that in this proposal, staff has changed the advertised tax rate for real estate down to 85.5 cents, which would reduce their revenue by $6.5 million; that would also reduce revenue in FY22 by $1.5 million. She said they have put personal property at $4.99, which would provide approximately $2.4 million over what was originally proposed, equating to about $12 per person on average for billing.

Ms. Light reported that staff is estimating elderly and disabled tax relief to be about $600K, which would go from $3,000 to $3,500, so there was no change in any of the tiers or any of what was adopted into policy by the Board last year; it was just raising that amount to help with some of the increased assessments.

Ms. Vanuch asked what the home value for that was based on, noting that she surmised the average home value was about $400K.

Ms. Light responded that staff could come back with that information and more detail for all the seniors who are in tax relief.

Ms. Light reported that there are electrical increases for both general government and schools, but staff had removed them from the spreadsheet. She reiterated that the pay raises were reduced from

6.5% to 5%, and the positions are reduced as they have been proposed; ongoing vehicles and the building maintenance vehicle were also removed.

Ms. Light said when they get down to the bottom, they are still out of balance by about $250K—but this does put them in a better position to accommodate the Board's desired tax rate. She noted that staff would take any recommendations they would like to make.

Ms. Vanuch asked for the Supervisors' input on what staff has proposed, as well as any additional proposals.

Mr. English said that he had the personal property tax rate at $4.95 and the employees still at a 6.5% increase, and he asked what impact that would have.

Ms. Light responded that every penny on personal property is about $112K, so it wouldn't reduce it that much. She said that they had also looked at bigger cuts in personnel.

Ms. Bohmke asked her to explain what the Security Manager position was in County Administration and what their role and responsibility would be, and how they would be kept busy for an eight-hour day.

Deputy County Administrator Mike Morris explained that this position would be in charge of all the physical security of the building, so it wasn't necessarily an onsite officer but someone who looked at all of their security systems, such as cameras; training and evacuation plans; emergency operation plans; and how to keep people safe within buildings. He said they would look at different offices and the buildings in general, so they would be the primary person to ensure security of staff in the workplace—including doing all the training, such as tornado drills, hurricane drills, and fire drills. He confirmed that they do not have anything like that in place now, and the County had a security study done that revealed this as a "major, major flaw" by not having a single person in charge of this.

Ms. Bohmke said that she had spoken with Ms. Light about one position in Finance—the ERP Systems Accountant—and having a person in Finance managing what they want to do in ERP. She said that her question for Information Technology is rather than hiring someone in IT, if they hired a consultant to do that work, then go out and get an IT person to run it once the system was in place. Ms. Bohmke mentioned that Ms. Light had indicated there was money for a consultant several years ago that was set aside specifically for this, but it had not been spent.

Mr. Morris responded that he had been working with CFO John Munch, and they discussed a way to move forward, which was something he proposed several years ago. He said there have been changes in the CFO position, but Mr. Munch was committed to doing this. He noted that they were using green screen and a system that was purchased 25 or 26 year ago, so it was in desperate need of replacement. He said the consulting money would be to do a needs assessment, helping with an RFP, and helping to manage the project—but it was a heavy IT project with an incredible amount of resource needs, with a lot of analysis and process improvements required.

Ms. Bohmke asked if he felt they needed both, with the Finance person to make it all come together.

Mr. Munch stated that he echoed what Mr. Morris had said and would add that when he came into the organization last May, there was very little training on the financial system, so every time they hire a new employee that has any financial responsibilities in departments, agencies, central finance, or OMB, there is no training plan for that—with very limited support and system capabilities. He said that an advantage of bringing forward a position in IT and Finance is to create a situation where there are two resident experts on the system that were involved in the construction from the ground up, understanding everything about the system: the backend, the database fields, the construction, relationships between tables, and other aspects of operation.

Mr. Munch said that as they encounter things such as last summer's Virginia Overtime Wage Act, they have to figure out how HTE can accommodate those changes in a very short period of time. He said there were other things such as changes in election policies and having more election days that were creating issues with their Internal Revenue Code compliance. He said that a lot of this was to establish redundancy in the organization as to how to respond to those types of changes with construction of the system, how to train employees, and how to support it from both an IT and Financial/Accounting side.

Ms. Bohmke said she understood now and appreciated the explanation. She asked how long it would take them to find this person and the consultant and make it all happen.

Mr. Morris stated that hiring was challenging, but he felt they could move forward with this and recruit for both. He said they have had several discussions with at least one consulting firm that would help do the needs assessment.

Mr. English asked what the consultant fee cost would be.

Mr. Munch responded that they have about $250K budgeted for the needs assessment.

Mr. Morris said that would likely spend more than one year: doing the needs assessment, writing the RFP, and helping with project management.

Mr. Munch added that it would involve looking at the scope of everything they do and every interaction they have with the current system, every interface with systems that integrate with financial systems, and every process and procedure with every agency and department where money is involved—as well as documenting it, flowcharting it, determining what systems were in or out of scope, and identifying exactly what they needed a vendor to provide. He said that this was good for documenting policies and procedures for training manuals going forward, so it went beyond just confirming the system appropriateness itself.

Ms. Bohmke commented that besides public safety, this was the most important thing they do, so it was important to get it right.

Ms. Yeung stated that there must be networking to support this and wondered why the Network Engineer position was removed.

Ms. Light responded that it was a Board choice as to whether to leave it in, but when they look at their scoring matrix from all the positions that are scored, the executive leadership team has a subcommittee that looks at all new personnel requests except for public safety uniformed positions; they score and rank all of them in order, and that's how they are proposed to the County Administrator to include in his budget. She said the Network Engineer was at the bottom of the scoring, which was one reason it was removed, as well as the fact it was a midyear position that could possibly move to FY24. Ms. Light confirmed for Ms. Yeung that these are all discussed with departments prior to staff making recommendations.

Ms. Vanuch noted that they had pushed the Sheriff's Office positions to midyear and asked when the academy took place and whether moving them to midyear would impact that. She said that her second question was how many deputies they were down from the state, as they've made a good-faith effort to hire at least 5-8 deputies every year and manpower has been a major issue.

Major Jason Dembowski responded that he did not have the current count for the Comp Board-funded positions and how many were owed, but the department was agreeable to midyear implementation on the positions and the one-time vehicle purchase. He stated that they are still running academies in January, April, and July—so it would still fall in line with them hiring and still filling academy seats.

Ms. Vanuch commented that she had received calls about things people wanted to move or change, so this was their chance. She referenced the spreadsheet and asked the Board if they were in agreement with staff's suggested removal of positions and adding in those mentioned.

Mr. Coen said that he was okay with everything thus far and had not heard anything that had changed since when he met with Ms. Light recently, and he was interested to hear whether there were other positions Board members may want to eliminate.

Ms. Vanuch asked whether all the numbers presented were totaling with the 85.5 tax rate and $4.95 personal property tax rate, and whether the latter was equalized.

Ms. Light confirmed the rates and said that $4.77 would be the equalized rate, so they would still be raising personal property taxes at the advertised rate.

Ms. Vanuch said they still had to find $705K in the budget.

Ms. Light confirmed this.

Ms. Bohmke stated that she had a long conversation with Delegate Durant recently, and they were still waiting for information from the state. She said there was a possibility the Comp Board may fund some more deputies, and they may get the $1 million recordation tax back—but that is not known yet. She noted that the General Assembly reconvenes on April 4.

Ms. Vanuch pointed out that they are going to gavel in and gavel out and recess, so the chance of having a state budget prior to the County's vote is miniscule, and the guidance from the legislature is to be very, very conservative as a locality.

Ms. Bohmke acknowledged the update.

Mr. Coen stated that he had hoped to have a broader discussion on the tax relief for seniors when staff brought information back, and it was his intent that the "no" for elderly tax relief to move to a "yes" but wasn't sure where other Board members stood.

Ms. Vanuch commented that they were still $1.3 million apart at an 85.5-cent tax rate.

2. PROPOSED CIP

Ms. Light stated that the spreadsheet she was presenting currently had not been sent to the Board yet, and she explained that they have tried to pare this down to the schools' information. She said the assumptions were that they have removed all Fire & Rescue stations and joint training center.

Ms. Vanuch asked if this meant all stations including Aquia and Rock Hill.

Ms. Light clarified that those were exceptions—all bond-funded Fire & Rescue stations, with Aquia underway and Rock Hill being cash funded.

Ms. Gary asked if they were putting the training center on a bond referendum.

Ms. Vanuch responded that it would be up to the Board, noting that it was not on staff's spreadsheet.

Ms. Light said that they have tried to minimize this to look exclusively at the schools, but if the Board wanted to put the training center back, it was a $9 million cost in the final years.

Ms. Gary commented that they definitely need it and should look at that.

Ms. Light stated that the first option presented would be to have Drew Middle School replacement be the priority and that could start in FY23 and open in FY26, with Elementary School #18 starting in FY27 and opening in FY30—which is where it is planned in the current CIP. She said that in speaking with the superintendent and school staff briefly, they said their focus would be more on the elementary schools than Drew Middle School replacement. She said that they think that bundling schools will yield some savings, which will be reflected in their CIP request next year.

Ms. Light said that staff is now looking for the Board's direction as to what they would like to see in the CIP, with option one having a focus on Drew Middle School and option two focusing on adding elementary schools. She said that County and school staff would work together to establish the best use of funds based on the Board's direction.

Ms. Vanuch said that when they worked with this spreadsheet at the last meeting and took out the fire stations to put them on bond referendum, they kept the high school because it can't get built any faster than it stands now, and they moved up the elementary school. She asked if they moved it up to FY23 and FY24 in that practice, because they were pretty close to having it at the equalized rate—but staff's spreadsheet shows 88.5 cents.

Ms. Light explained that she could move the tax rate around and look at it again, and if they move to the equalized tax rate of 78 cents, they would not be able to fit the options in, but if that were the Board's direction, staff would take it back and work through it.

Ms. Vanuch noted that this included the Drew Middle School replacement in the CIP and asked where it was placed before in the previous CIP.

Ms. Light responded that from their work session the previous week, that was more towards the outyears.

Ms. Vanuch recalled that they had moved one thing and were able to move the elementary school up significantly.

Ms. Light stated that if they moved the debt capacity to 85.5 cents, which was the new proposal, either Drew Middle School or the new elementary school could start in FY23. She said there were some negatives in FY27 of about $4 million that they would have to backfill by reducing some of the 3R borrowing for Drew Middle or Hartwood Elementary.

Mr. English commented that he favored option two to get the elementary schools up first.

Ms. Gary agreed.

Ms. Vanuch concurred.

Ms. Bohmke said it was school enrollment that they needed to be looking at, and Drew was a replacement school—not an additional school—although they would be expanding capacity because they wouldn't be building a 650-student school, which is what they have now because of the Heather Empfield facility there. She said as much as she wants to see Drew Middle School renovated, they need to consider the enrollment of the elementary school kids. She stated that she has heard different things about the Embrey Mill site, including for nine years that the site is not buildable and would cost too much to built on it; now she is hearing that that's not the case, and she would like to get some validation on that. She stated that before that, they needed to fix Hartwood Elementary. Ms. Bohmke also pointed out that the School Board voted on a different schedule, with the high school kids first, elementary, and then middle. She said that schedule plan would require 13–15 more bus drivers, and the schools ended up voting on the most expensive plan. She noted that they were voting based on what they felt was in the best interest of the students, as they should be, but it needs to be established whether that money is in their budget.

Ms. Vanuch stated that when she spoke to some of the School Board members who supported it, they said they were fully aware and would find it in the budget; it was not an additional ask they would come back to the Board with.

Mr. English said he didn't see transportation on here.

Ms. Vanuch said that's because this was the school CIP.

Ms. Light commented that transportation was hard to move around because those bond funding requirements, which were $50 million in bonds over the next few years, were tied to state and federal funding. She said those projects meet the time requirements based on the VDOT schedule.

Ms. Vanuch asked her to move the elementary school up on the spreadsheet.

Ms. Light responded that they could start that in FY23, and they would have to move Drew Middle School out.

Ms. Gary noted that it would be FY33 for Drew if they moved the elementary school up.

Ms. Light said they could also pull Hartwood forward for calculation purposes, and under option two it would begin in FY27 and open in FY30.

Ms. Yeung asked to see Drew and an elementary school versus Drew and Hartwood, noting that Hartwood exists currently.

Mr. English said it did but was in bad shape.

Ms. Yeung said it's been in bad shape for five years.

Ms. Vanuch stated that they weren't the School Board, so they don't get to choose this.

Ms. Bohmke expressed surprise that they don't.

Ms. Vanuch clarified that she just didn't want to get into debating where the locations should be.

Ms. Light said that because they moved the debt capacity from 88.5 to 85, that will limit some of the options.

Ms. Vanuch asked her to demonstrate what they could do at the 85.5?

Ms. Light explained that at 85.5, they need the Board's direction as to whether they were looking at Drew replacement or an elementary school, because they have a limited capacity in those first few years that they could assign out to those. She asked the Board to determine whether the bigger priority was Drew or the elementary schools.

Ms. Gary asked which was the school's bigger priority.

Ms. Light responded that their second item was Drew Middle School replacement, with the elementary schools, Gari Melchers replacement, and Hartwood as those they wanted to bundle together as their third request.

Ms. Bohmke clarified that they were intending to take Drew Middle School and rebuild that at the Gari Melchers complex and move all Rising Star replacement students—and she asked what the costs would be to renovate Drew because they were thinking about using it as another site, Heather Empfield and Rising Star replacement.

Ms. Light responded that it was not her understanding that the School Board intends to renovate Drew Middle School for a different purpose, or that they would necessarily put them at the Gari Melchers complex.

Ms. Bohmke asked if the site were big enough and if anyone had looked at the size of old Gale Middle School, Melchers, and whether the school could be built there while Melchers was in place or if part of that building needed to be knocked out.

Ms. Light said that staff could certainly get that information from the schools.

Ms. Bohmke emphasized that before they made any decisions, they really needed to look at the acreage there, the layout of the school, and other factors—as it was a lot more complex than this.

Ms. Yeung noted that it used to be a high school.

Ms. Bohmke clarified that it was a middle school.

Mr. English said that it was a high school years ago.

Ms. Bohmke stated that they didn't have very many students nor the requirements that they have today, adding that they need to gather a lot more information so they can make an educated decision.

Ms. Gary agreed that they needed more information but also mentioned that she had visited Drew Middle School a week earlier and Dr. Taylor believes that they can use existing property to build a new facility while they are still in Drew because of the acreage that exists.

Ms. Bohmke recalled that they had looked at that before.

Mr. Presley stated that what Dr. Taylor is proposing is to build the new Melchers facility at the

Drew site, then tear down the old building and build the new Drew onsite after that. He said that Dr. Taylor thinks there is space to do that, have done that analysis, and are comfortable with it.

Ms. Bohmke asked what the expense was for the new Rising Star replacement onsite.

Ms. Light responded that the Rising Star replacement would be a $54 million project. She stated that the School Board has requested that the project be completed in FY28, and they don't yet have it as a CIP item.

Ms. Vanuch stated that the schools came with a very different CIP request at about $300 million, and the County was just trying to prioritize this year what they want to move forward—knowing that they can be adjusted next year, depending on what the Board decides to do with the tax rate. She said that she is hearing that the Board would like to ensure that Elementary School #18 is expedited.

Mr. Coen said that a separate school bond was floated at their last meeting, and he would like to know whether moving the fire items to a bond would provide enough leeway to do an elementary school sooner. He also asked whether it would be feasible to do a bond for just the Drew rebuild and a second elementary school—which total about $125 million, with the fire bond at $48 million—if they moved the elementary school up higher. He added that he would like to do some type of elementary school sooner but didn't know if they had the information about Elementary School #18 versus Hartwood right now.

Ms. Light agreed to bring the information to the next meeting.

Ms. Vanuch stated that it was important for them to understand the cost to the taxpayer for the different item and fees, and she asked if Mr. Mayausky could comment. She said that they have not as a Board discussed the impact of this to the taxpayer, with the effective rate at 78 cents, the proposed advertised rate of 85.5, and the County Administrator's proposed rate of 88.5 cents. She asked him to explain how the assessments went this year and the disproportionate impacts for homes in the $250K–$300K range, and what that taxpayer would be paying on each one of the different alternatives.

Commissioner of the Revenue Scott Mayausky stated that he did not have any hard data with him, but generally speaking, property taxes are known to be very regressive—so the lower you are on the income scale, the lower the property value you have, i.e., affordable housing. He said in a rising market, these will increase more rapidly than a million-dollar house in terms of percentage; the percentage increase will be dramatically higher, the lower value the property. He stated that neighborhoods like Old Forge were going up about 40%; a lot of townhouse communities were going up 30%–40%, and the countywide average is 24%. He noted that a lot of the higher valued are falling before that, and a lot of the lower valued are falling above it. Mr. Mayausky offered to send the Board a detailed breakdown of how this was shaping up.

Ms. Vanuch said that would be very helpful, as she had done an estimate with homes at the $750K-$800K mark, which increased about 10%; houses at $250K, which have increased in value by about 40%, would be paying almost $1,000 more a year if the Board adopted the 88.5-cent tax rate—versus about $85 a year more for the high-value homeowners.

Ms. Bohmke stated that it was going to be extremely painful for people, and she didn't know if she could support it at this level because of inflation. She said they can't do anything about inflation, which would likely get worse before it gets better and may lead to a recession.

Ms. Vanuch said that it would be helpful to show the Board what someone would be paying at the 78-cent tax rate, the 85.5 rate, and the 88.5 rate.

Mr. Mayausky agreed to assemble that information for them.

Ms. Bohmke asked if his position was for the full year or half a year.

Ms. Light replied that in the proposed budget, it was for a full year; for their recommended changes, they have moved that to half a year.

Ms. Vanuch said the question as they have asked Ms. Rudy is how that becomes net neutral.

Mr. Mayausky said that it will but was harder for him to prove than the Treasurer since he doesn't collect the money, but as she has ramped up her collection efforts; in 2017, there were about 500 liens placed on delinquent taxpayers—and last year, there were 5,000. He stated that this was causing his office to handle more personal property appeals and audit more accounts, and they were put in a position to have to service that old debt or put their resources on new businesses and making sure they properly get on the tax roll. He said that it was hard to pinpoint how much revenue it would generate, but it was unquestioned that it would.

Mr. English agreed with Ms. Bohmke that they needed to go through the partner funding.

Ms. Vanuch asked if it was possible to just propose a 20% reduction, as they have given a lot of CARES and ARPA funding to these agencies, and the Board somehow needed to make cuts to the budget.

Deputy County Administrator Donna Krauss suggested that if they wanted to do a percentage, they apply it to the process that they went through, because they were all scored and given cuts depending on their scoring. She said that this would provide consistency in funding.

Ms. Yeung stated that she didn't feel they should just cut the agencies that were serving citizens, and they should actually look at their services.

Ms. Bohmke said that based on that, they are all serving citizens. She stated that the Moss Free Clinic was doing a lot, and she did not have a problem with their budget going from $18K to $29K. She stated that all of the agencies—Habitat, Safe Harbor, the Red Cross, Legal Aid, Healthy Families, Big Brothers, etc.—do a lot, but some of the increases were bigger than others. She noted that Ms. Krauss had information on this, adding that cuts here would not make a big dent in the budget or tax rate, but there are a few that might be able to be scaled back.

Ms. Bohmke stated that they all sit on regional boards, but no other regional boards come to them for funding except the library, Tri-County/City Soil & Water Conservation District, Rappahannock Community Services Board, the GWRC, and Fredericksburg Regional Alliance. She said that she felt it was important to share conversations she had had about the library, but she asked Ms. Light to first explain the process and how they get where they are today.

Ms. Light said that the budget directors or finance directors of all localities except Westmoreland, which doesn't participate, looks through the budget the library provides to their board. She stated that they go through and ask a number of questions, just as they do with the jail and juvenile detention center, regarding one-time costs and benefits to make sure their budget is fully vetted before it comes to the Board. She stated that the County Administrator then makes a proposal. She said the County has looked at the library budget, and in FY22, Spotsylvania did not fund about $188K of the request for the library. She said that the library put that request back into the FY23 budget and spread it out to all the localities; what's in the proposed budget reduces Stafford's share proportionately to the $188K, so they are not necessarily supporting the cuts Spotsylvania made the year before.

Ms. Bohmke stated that the library director had sent an email out today that indicated what all the counties and the City of Fredericksburg were proposing for their budget, so while the library had Stafford at $513K, that has been reduced to $412K. She said there were other localities looking at additional reductions, but she did not know any specifics. Ms. Bohmke said she has asked Ms. Light to look at Prince William County's budget, as they do a great job putting expenditures by program: materials services, financial, public service, technology, and administrative; they also have their expenditures separated by classifications: salaries and benefits, contractual services, internal services, purchases of goods and services, leases and rentals. She added that this was a place they were hoping to get with the library, and Ms. Light had sent them an email today requesting more detail. Ms. Bohmke stated that she would like to look at the last five years, as larger localities do, and she has requested that at meetings but doesn't always receive it.

Ms. Bohmke said that the library had overspent in five different categories, as reflected in their financial audit, and she would like to know why that occurred. She said that the library would like to give employees a 3% cost of living increase, and their Library Clerk I is getting a 15% increase, with their Library Clerk II recommended for a 7.5% increase, which are both scale adjustments because those positions are underpaid. She said that if the County were to look at any reductions below the $412K for the library, they would be looking at cuts to library hours or other things. She noted that they have also asked for a $100K increase for an e-materials budget, and the library has about $1.8 million in ending fund balance that they've carried for a while, so they could be asked to use that. She pointed out that she is the representative on the library board, but the Board makes the decision.

Ms. Vanuch mentioned that Spotsylvania had its public hearing tonight for their budget and would be voting on their budget before Stafford. She asked if they could see all the regional agencies to see what the other localities were doing, as sometimes they have come in and made adjustments based on what the regional partners were doing and the state compensation. She also asked if they could be updated on anything happening at the state level for jails, as she was aware of a budget amendment in the legislature that had a funding increase to the jail board.

Ms. Gary asked what they have removed or pushed further out from the proposed school budget as it was requested from Dr. Taylor.

Ms. Light responded that they have not recommended any reductions to the request from the superintendent; the School Board had asked for an additional $3 million, which staff has not added back into this budget, with $2 million of that to fund some one-time 3R projects through the CIP and $1.2 million helping to fund items in the classroom.

Ms. Gary asked what they would be, specifically.

Ms. Light explained that it would help for parents to not have to provide as much in terms of Kleenex and other items.

Ms. Gary commented that it would be relieving citizens and families of those expenses.

Ms. Light confirmed that this was the intent, and they could either reduce expenditures by $1.3 million or increase the tax rate, which would be just over a half cent.

Mr. Coen stated that a year or two ago, Germanna Community College was trying to do a nursing program and other communities weren't kicking in their share, and he wondered where that stood as they moved into this year. He said he would also like to get information from Ms. Light as to the result if there was an equalized tax rate, as he recalled that they would have to cut $7–8 million out of this year's budget, so they would have to have an understanding of where they were going to make cuts. He noted that Mr. English and staff had found some cuts in expenditures for next year, but he wanted to discuss where those would go with additional cuts.

Ms. Bohmke said that she had thought Ms. Light could share with the Board where the $2 million would be coming from.

Ms. Light explained that the schools have come in with proposed costs for the two turf fields—one at North Stafford High School and one at Colonial Forge. She said that school and County staff have worked together to look at funding sources and options for that, and the schools have $75K in VPSA interest that could be applied to that project; in their year-end savings, they identified approximately $350K that would go to that project. She noted that they have put a significant amount of their year-end funding into the CIP to fund some of their projects and the new high school.

Ms. Light said there was $2.1 million from the County's capital projects reserve, so the year-end savings after all other fund balances have been filled; approximately $350K-$400K from the capital projects fund, with savings from projects such as Station 14 and the animal shelter that has created some fund balance in the capital projects fund that can be used for projects such as turf fields.

Ms. Vanuch stated that she had asked about possibly using proffer money from projects like Shelton Woods, which was about $1 million.

Ms. Light responded that they have looked at proffer funds, and there are sufficient proffer funds to provide for both schools, but she did not have that information with her and perhaps Mr. Harvey remembered that. She said that one of the schools had projected proffers available, and like what happened at Mountain View, the Board authorized that capital projects reserve funds were used and had it paid back from proffers when they were collected. She noted that this resolution was approved in 2014, and that payment came back in 2021; all other proffers available are currently assigned to Elementary School #18 or the high school project. She said they could use those proffers but would be shifting the costs in the CIP to bond funding.

Ms. Vanuch commented that it was really just semantics on paper, and they could do it.

Ms. Light agreed.

Ms. Vanuch said they would not have to take away from the schools building Elementary School #18 or the high school, and she asked if they would not have to take it out of capital projects now if they used the proffer funds.

Ms. Light confirmed this and said they could use the reserves at a future time for the high school or elementary school.

Ms. Vanuch asked if they could get that information.

Ms. Bohmke said that she had it in front of her, stating that Liberty Knolls West in Garrisonville has $176K; Shelton Woods has $1.053 million; Winding Creek in Garrisonville has $99K, and Whitson Woods has $461K. She said there was also the Courtyards at Colonial Forge at $432K.

Ms. Vanuch stated that she would like to use the proffer funds and asked Ms. Light to have this information for Tuesday.

Ms. Light said that she would have that available as part of the presentation for that item and could write up a second resolution if it were the Board's desire to use proffers.

Ms. Yeung stated that she would not want to use proffer monies for this, as they were for the schools themselves and not turfs necessarily; she said that she thought there was a rule that they use the proffer money for expansion and adding capacity. She asked if they could look at that first and consider other options, rather than using all of that proffer money for turf fields.

Ms. Vanuch said they would not get much capacity for these amounts.

Ms. Gary said that Mr. Coen had proposed approaching larger corporations in the area, which she had been discussing with John Holden in terms of seeking education philanthropy funds for the turf fields instead of using funds they already have. She emphasized that these fields were important but were not urgent needs in the scope of things, when considering what's going on in classrooms. She stated that she had walked through Drew Middle School recently, and the band room had instruments lined up around the seats to serve as storage—and evacuation in the event of an emergency would be dangerous. She said there are more urgent issues than turf fields, and they needed to be patient in their approach.

Ms. McClendon stated that Ms. Yeung was correct in terms of using proffer funds: They should be used to expand capacity. She recalled that several years earlier, there had been an analysis regarding use of proffer funds for artificial turf fields because it expands the capacity for the use of the fields so they can have more sports going on more times of the year without the degradation of the fields. She stated that there was a determination made between school staff and the County's financial staff that it would meet proffer requirements for expanding capacity.

Ms. Bohmke said that she appreciated what Ms. Gary was saying, but those are CIP needs. She stated that the boxes on the side of the wall in Drew Middle School were from when she was on the School Board because they didn't have any shelving for instruments. She stated that this was something that could be fixed—and there are a lot of needs—but this is a parity issue. She stated that it wasn't just football but affected lacrosse, soccer, field hockey, and so on, and they have to reschedule games and move to other schools because they don't have turf fields. She said it was a shame, and there were students of all ethnicities and income levels that were missing out on scholarship opportunities because they were playing on these fields.

Ms. Bohmke noted that Spotsylvania had gotten the big VHSL competition this year because they had five turf fields, and that's what they look for in choosing locations for final competitions—so this was an economic development boon as well.

Ms. Vanuch noted that this was a conversation for Tuesday, and the question was just related to numbers and funding.

Ms. Gary said that she agreed with Ms. Bohmke but wanted to mention it in the context of scope and urgency, emphasizing that Drew Middle School was not ADA compliant for the sixth graders—which was unacceptable.

Ms. Vanuch asked Ms. Light for the next budget session to go back to the $21 million in carryover funds and clarify what is available, what's not available, and how they could potentially use those to offset the budget.

Ms. Light said that staff could bring that back in terms of fund balances and where they were projected to be used in the CIP.

Ms. Yeung reminded her of the request by department.

Ms. Light agreed that she was bringing back the operating savings by department.

Ms. Vanuch asked her to also provide a list of one-time funded items for the $21 million and expenses it could be used for to offset costs.

ADJOURNMENT

At 7:55 p.m., Chairman Vanuch adjourned March 31, 2022 Stafford County Board of Supervisors Budget work session.

Frederick J. Presley	Crystal L. Vanuch
County Administrator	Chairman