BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
DRAFT MINUTES
BUDGET WORK SESSION: FY2024 BUDGET STAFF DIRECTION
APRIL 18, 2023

CALL TO ORDER – A work session of the Stafford County Board of Supervisors was called to order by Pamela Yeung, Chairman, at 1:00 p.m. on Tuesday, April 18, 2023, in Conference Room ABC, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

ROLL CALL – The following members were present: Pamela Yeung, Chairman; Thomas C. Coen, Vice Chairman; Crystal Vanuch; Tinesha O. Allen; Meg Bohmke; Darrell English; Monica Gary.

Also in attendance were Randal Vosburg, County Administrator; Rysheda McClendon, County Attorney; Julia Homes, Assistant Deputy Clerk; various staff members; and other interested parties.

Ms. Yeung called the meeting to order at 1:00 p.m.

WORK SESSION

FY 2024 Budget Work Session
Mr. Vosburg said staff had drafted resolutions based on a real estate tax rate of $0.94, a Fire Levy of $0.03, and a personal-property tax effective rate of $2.745. He said that they would review the School Board requests. He said that the Superintendent's request added an additional cost of $8M. He explained the County Administrator's proposed budget had $11.75M for the school transfer, and the Superintendent's budget was about $20M, and it did not account for the error in the state calculation. He said the corresponding tax rate of the Superintendent's request was an additional $0.035.

Ms. Allen clarified that the additional $0.035 on the tax rate would generate the revenue to fund the Superintendent's $20M request.

Mr. Vosburg said yes.

Ms. Allen asked if items 2 through 6 were included in the $0.035 increase or in addition to the increase.

Mr. Vosburg said only item 1 was the $0.035 increase, and each following item would be in addition. He said items 2 through 6 were added by the School Board.

Mr. Vosburg said item 2 was differentiated compensation for hard-to-staff positions, and it had an associated cost of $3.8M, or $0.017 on the tax rate. He said the hard-to-staff positions included math, paraprofessionals, and special education teachers.

Dr. Yeung clarified what the cost would be for only math and special education teachers.

Mr. Fulmer responded that he did not know the specific amount for math teachers and special education.

Ms. Bohmke noted the school provided a number of positions which were included in the hard-to-staff positions. She said she wanted to know which of those positions were the top five or three hardest to staff.

Mr. Vosburg said Ms. Light would work to poll the list.

Dr. Yeung stated that math and special education teachers were at $2.9M, and the paraprofessionals were $1M.

Ms. Light said Mr. Fulmer had provided that there were three CTE high-impact, 185 math teachers, 32 psychologists, 29 social workers, 130 special education level 2 teachers, 104 counselors, 16 CTE skilled trades, 135 science teachers, and 178 special education level 1 teachers.

Mr. Vosburg said item 3 was instructional support scale, and the cost was nearly $1.9M, or $0.008 on the tax rate. He said that paraprofessionals were included in the line item. He said item 4 was the full implementation of phase 1 staffing standards, and the cost was about $1.3M, or $0.006 on the tax rate. He said item 5 was the Pay-Go major maintenance, and the cost was $5M, or $0.022 on the tax rate. He said item 6 was differentiated school site allocation, and the cost was $1.342M, or $0.006 on the tax rate.

Mr. English asked for clarification on the differentiated school site allocation.

Ms. Light stated that the item would provide funding to different school sites to support materials and needs that were typically provided by parents and teachers. She said that the School Board had requested the item in the previous fiscal year, at which point it was the only item in addition to the County Administrator's proposed budget.

Mr. English clarified that the item would prevent parents from having to purchase supplies.

Ms. Light said that was how she understood it.

Mr. Fulmer said that the differentiated school site allocation would enhance the funding they gave directly to the schools to use at the individual schools. He said that it evaluated the demographics of the school and provided additional funding to support the students. He said that the funds could be used to reduce the amount of supplies parents and teachers were required to purchase for the school year.

Mr. Coen clarified that differentiated compensation would be accomplished through stipends, not a different salary.

Mr. Fulmer responded that they were considering the incentives as part of the salaries to help with recruitment and retention. He said they were looking to aid senior teachers because it would assist with retirement. He explained that if they were able to advertise a higher pay scale, it would have a greater impact on attracting teachers.

Mr. Coen clarified that all of the positions listed by the School Board as hard-to-staff would be on a different pay scale.

Mr. Fulmer said that was correct. He said that it would be an additional educational supplement in addition to the base teacher scale.

Dr. Yeung asked if the differentiated pay would be implemented similar to the additional pay for athletic coaches.

Mr. Fulmer said that extracurricular and sports stipends were treated as a stipend—a one-time payment not included in the base salary.

Dr. Yeung said that they got it every year.

Mr. Fulmer said yes. He said that they received the payment once the sports season was over, but it did not count toward the VRS credible compensation.

Dr. Yeung asked if a stipend would work for the hard-to-staff positions.

Mr. Fulmer said that any additional compensation they could provide to the critical need areas to attract and retain talent would be areas to pursue.

Ms. Bohmke asked what other school divisions in the state were doing to address hard-to-staff positions.

Mr. Fulmer said that he was not sure. He said that they were trying to differentiate the County from others in the state to attract talent.

Ms. Bohmke asked if other counties were implementing a similar strategy.

Mr. Fulmer said that the staff was not aware of any other program to the same level of detail.

Mr. Vosburg said that the Board had provided guidance to add positions. He said positions were added for SPOs, the Commonwealth's Attorney, and planning. He said they had been able to accommodate all of the position requests and still have the $0.94 real estate tax rate due to other reductions and decisions by the Board.

Dr. Yeung asked for clarification about the SPOs and the number deployed to the schools.

Ms. Light said the County Administrator's budget proposed six SPOs at a cost of $1.2M. She said the Board had discussed adding an additional five SPOs for elementary schools at a cost of $1M.

Mr. Vosburg said in discussions with staff and in one-on-one meetings regarding the Fire Levy, they were requested to reduce the amount or phase in the total cost. He said that at a $0.01 rate, the Fire Levy was not effective because of what had to be transferred back to the CIP. He said that a $0.03 rate accomplished all of the Fire and Rescue needs and funded the debt service. He said that at a $0.015 rate, they would be able to cover the debt service. He said that staff would recommend a $0.015 rate if there was an associated cash or one-time purchase of the fire apparatus at a cost of $2.5M. He said that if they approved the $0.015 rate, it would be part of a two-year plan where the rate would increase to $0.03 the following year.

Ms. Gary asked what would happen if they did not approve the full $0.03 rate the following year.

Mr. Vosburg said that if they did not approve the full rate, they would have to readjust the CIP. He said all projects would be eligible for delays to account for the Fire and Rescue projects.

Ms. Allen asked for information about when the Fire and Rescue projects were anticipated to come online and when the school projects were anticipated.

Ms. Light said that funding the Fire and Rescue projects through the Fire Levy would take the Fire and Rescue needs out of the CIP. She said that transportation had a $50M bond, so the debt finance projects would be the courthouse and school projects. She said that Fire and Rescue projects would begin in FY 24 with the cash purchase of land for Embrey Mill, and projects would continue through 2030. She said Aquia Harbor and Rock Hill would be rebuilt during that time, and Embrey Mill, White Oak, and Brooke stations would be new sites. She said that final debt service was about $5M per year to support all of the projects. She said the levy would pull out the apparatus costs from debt funding.

Ms. Light said that the only projects in FY 24 for the school CIP were the continuation of Elementary School #18, High School #6, and the 3R projects. She said Elementary School #19 would start in FY 25.

Ms. Allen asked what the debt service was.

Ms. Light said the debt service would increase by about $3M in FY 26 and by $7M in FY 24 for school projects.

Ms. Bohmke clarified that another alternative to the Fire Levy was to put the matter out for referendum. She clarified that if they did not approve the Fire Levy, then the projects would be reincluded in the general fund budget.

Ms. Light said that was correct. She said that they assumed almost $2.8M in debt service for Fire and Rescue was absorbed by the Fire Levy.

Ms. Gary asked how the debt would be impacted if the matter was put to bond.

Ms. Light responded that the only project moving forward in FY 24 would be the Embrey Mill station, and it would begin with a cash-funded land purchase. She said that if the Board decided to issue a bond referendum, there could be no difference in the CIP, and they would likely delay the land purchase. She said that there would be no significant changes.

Ms. Vanuch clarified that if the Embrey Mill station land was already dedicated, then there would not be a delay.

Ms. Light said that was correct.

Ms. Vanuch clarified that if they issued a bond referendum for the Fire Levy, there would be no impact to the CIP.

Ms. Light explained the Fire Levy funded more than future capital needs. She explained the levy also funded the debt service and apparatus costs. She said the primary expenditure was the debt service in FY 24. She said they anticipated debt service to come on in FY 25 for stations which had already been funded.

Ms. Bohmke clarified that the Embrey Mill station would have to be built even if a bond referendum failed.

Ms. Light said yes. She said that based on the Fire and Rescue standards of cover, it was necessary to have a station in the Embrey Mill area.

Ms. Bohmke clarified that they would have to wait one year if the bonds were not successful.

Ms. Light said with VPSA, they may have to wait for more than one year before they could return to borrow funds. She said that there would be delays on any issuance of VRA loans or other debt if the referendum was not approved. She said that there were only two referendums which failed over the past three years. She said one which failed was for installing a pool in Spotsylvania, and the other was for a community center in another county.

Mr. Coen clarified that if the Fire and Rescue projects were readded to the CIP, other projects would be delayed.

Ms. Light said yes. She said that there would have to be a discussion on how to schedule schools, the fire stations, and the courthouse.

Dr. Yeung asked what the timeline would be for issuing a referendum for the Fire Levy.

Ms. Light responded that the Board would have to take action to put the measure on the ballot by the first meeting in July.

Dr. Yeung asked if the credit rating would affect if the bond referendum failed.

Ms. Light said no. She said the CIP was designed for the Board to make a decision in May or June and to determine whether to go to referendum. She said that no new projects were starting in FY 24.

Dr. Yeung asked for clarification about the salaries funded with one-time funds and what the impact would be on the tax rate to absorb the costs.

Ms. Light said the SCSO received a 15% pay raise for first sergeants and below on January 1, 2023. She said the raise was funded by one-time ARPA funds, and the cost was about $3.8M which would have to be funded by a different revenue source in FY 25, or about $0.017 on the tax rate.

Ms. Vanuch clarified that they intended to use ARPA funds and dedicated meals tax funds for the pay raise in FY 24. She said if they increased the meals tax revenue, it could absorb the $0.017 increase.

Ms. Light said yes. She said any changes in the revenue assumption could make a difference in the projections in the five-year plan.

Dr. Yeung clarified what the meals tax revenue was dedicated toward.

Ms. Light said there was an increase in meals tax identified mid-year to help support the SCSO. She said the schools received 100% of the meals tax, about $12M.

Ms. Allen clarified whether the meals tax revenue could be used for other purposes.

Mr. Coen asked if the hard-to-staff positions were all equally necessary. He asked if the positions were prioritized and whether the cost was itemized for each position.

Mr. Fulmer responded that there were two tiers for the hard-to-staff positions—a $5K tier and a $2.5K tier. He said the $5K tier represented the highest identified need and the hardest to fill positions. He said that the cost for math teachers and the special education teachers was about $600K.

Ms. Bohmke asked if the federal government was providing funding for the capital needs and the salaries for additional ESL teachers.

Mr. Fulmer said that they were not providing capital costs, but the federal government would pay for its share of the salaries. He said that it was not enough funding for half of the nine ESL positions.

Mr. English asked if they had reviewed the fund availability.

Mr. Fulmer said state funding was formulaic based on SOQs.

Mr. English asked if they could reach out to the federal government for assistance.

Mr. Fulmer said there could be potential federal or grant funding opportunities, but there were none presently available.

Mr. English asked if the ESL speaking population had increased within the past year.

Mr. Fulmer said the population had almost doubled.

Mr. English asked what the specific increase was.

Ms. Vanuch said it was 78%.

Ms. Allen asked if there was data to show that the ESL speaking population was increasing due to migration from Texas.

Mr. Fulmer said there was not.

Ms. Vanuch asked how much additional funding the County would receive from the state if the cost to compete matched Prince William County.

Mr. Fulmer said they received a partial cost to compete adjustment, and it was the top legislative agenda priority of the School Board. He said that it was in the range of $12M to $15M.

Ms. Vanuch said the item had been a priority of the Board since at least 2020. She said that they had secured a meeting with the governor on April 19 at 9:30 a.m. to discuss a budget amendment for cost to compete.

Ms. Bohmke asked for an update on what happened when they tried to bring the legislative item before the General Assembly.

Mr. Fulmer said it had been well received, but it had not made it through the process.

Ms. Bohmke said that cost of competing had been an issue when she was on the School Board.

Mr. Fulmer said their goal was to increase the total fund for cost to compete so that Stafford's increased allocation would not impact the other localities who received an adjustment.

Ms. Vanuch explained that part of the delay was due to a JLARC study, and the readout would be released in July. She said they planned to present initial findings to the governor.

Dr. Yeung said that the additional cost to compete funding would help the County.

Ms. Gary asked if the veterans tax relief would be included in the discussion with the governor.

Ms. Vanuch said it would be included as an additional talking point. She said they had created a spreadsheet with the localities contributing a significant portion of the tax relief. She said the County was the second highest and Fairfax was the first.

Dr. Yeung suggested reallocating the funding for veterans' tax relief to other County expenses.

Ms. Vanuch explained that taxpayers could pay any amount above their tax bill and earmark the additional funds for the school division. She asked how much funding the County had received through additional payments.

Ms. Light said she did not recall an additional transfer for the schools.

Ms. Light said if they funded 13 SPOs, the cost would be between $4.5M and $5M annually.

Ms. Allen asked which positions were included.

Ms. Light responded that the cost was for 11 SPOs, SROs, DARE Officers, and existing SPOs.

Ms. Bohmke clarified that those were all of the positions related to safety and DARE.

Ms. Light responded yes.

Ms. Bohmke explained an SRO was a full-time County employee also serving as a deputy when not deployed at the school. She explained SPOs did not work as deputies, and they worked a full-time school schedule. She explained the DARE officers were full-time.

Mr. Coen asked if there was an update regarding VRS impacts and vehicle needs for SPOs.

Ms. Light responded that HR and SCSO were reviewing health insurance requirements. She said it was the difference between a legal issue and budget issue.

Mr. Coen clarified that the SPO salary would not affect an employee's existing VRS plan, and they would not receive a VRS benefit if they were already retired.

Ms. Light responded that they did not receive VRS benefits, and the estimate in the budget was $11.856M for each SPO. She said the total cost for six SPOs would be a reduction of $71.137K.

Dr. Yeung clarified that already insured individuals and individuals with a retirement package would not receive those benefits from the County.

Ms. Light said it was two separate issues. She said that employees may be eligible to have health insurance because they were working more than 28 hours on average. She said SPOs would not receive VRS benefits because they were regular part-time employees.

Mr. Coen asked for information about vehicles for SPOs.

Ms. Light said the vehicles were estimated to be $75K for each one. She said the cost for 11 SPOs was $825K.

Ms. Vanuch suggested using one-time funds for all of the vehicles.

Mr. Coen asked if it was possible to use older vehicles from the fleet.

Ms. Vanuch suggested that vehicles which were to be retired from 24/7 use should be used for SPOs. She noted that the SCSO had a vehicle deficit. She suggested using one-time funding to purchase all of the needed vehicles.

Mr. Vosburg explained that because of the timing of the collection process, there was an allocation of one-time funds related to decreasing the Fire Levy to $0.015. He said that they were able to recommend the Fire Levy decrease by utilizing a one-time allocation of $2.5M to purchase fire apparatus.

Ms. Vanuch stated that $1M could go to the SCSO and $2.2M could go toward the apparatus costs.

Mr. Vosburg said that the $10M was based on a tax rate of $0.94. He said that if they used $2.5M for the fire apparatus, about $7.5M remained. He said the remaining funds could be used to purchase vehicles for SPOs. He said the Board did not have to allocate all of the funding.

Dr. Yeung asked what the impact would be if they did not increase the tax rate and kept it at $0.85.

Ms. Light said the schools related debt service had increased by $4.4M, and there were obligations of $2.6M for mid-year allocations. She said there was about $5M not related to the tax rate increase or ARPA, and those funds could be allocated to other projects. She said that keeping the tax rate at $0.85 would start the County at a deficit of $1.8M. She said the deficit could be accounted for by reducing services, staffing, or the school transfer.

Ms. Vanuch asked if the resolution for the $0.015 Fire Levy excluded operational expenses.

Ms. Light said that the resolution did not specify operational expenses in the resolution, but it could be added.

Ms. Vanuch said she would want the resolution to exclude operational expenses.

Ms. Bohmke noted that changing salaries affected all of the general fund. She asked for information about the draft resolutions prepared by staff.

Ms. Light said it was difficult for staff to make changes to salaries on the fly because salary changes impacted the entire general fund. She said staff hoped the Board would consider the County Administrator's proposed budget with an 8% raise for general government non-uniformed staff, an 8% raise and 2.5% step increase for Fire and Rescue, an 8% increase for lieutenants and above in the SCSO not participating in the 15%, and a step increase for all SCSO staff. She said that if the Board was to take action, staff requested they approve the budget resolution. She said the appropriation resolution could be held until a later time.

Ms. Allen said she supported the raises and proposed budget.

Mr. English said he was unsure.

Ms. Vanuch said she did not agree with the proposed budget.

Ms. Bohmke said she agreed that the appropriations resolution should be held until a later date. She said she did not support an 8% raise.

Ms. Gary said she agreed with Ms. Allen.

Mr. Coen said he supported staff's recommendation.

Dr. Yeung said she supported staff's recommendation.

ADJOURNMENT

At 2:05 p.m., Chairman Yeung adjourned the April 18, 2023 Stafford County Board of Supervisors Budget Work Session.

Randy Vosburg

Randal E. Vosburg
County Administrator

Yeung

Dr. R. Pamela Yeung
Chairman