BOARD OF SUPERVISORS
STAFFORD COUNTY, VIRGINIA
MINUTES
BUDGET WORK SESSION: GENERAL FUND
MARCH 5, 2024

CALL TO ORDER – A work session of the Stafford County Board of Supervisors was called to order by Meg Bohmke, Chairman, at 2:00 p.m. on Tuesday, March 5, 2024, in the Board Chambers, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

ROLL CALL – The following members were present: Meg Bohmke, Chairman; Tinesha O. Allen, Vice Chairman; Crystal Vanuch; Deuntay Diggs *(arrived at 2:20 p.m.)*; Pamela Yeung; Darrell English; Monica Gary.

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

Ms. Bohmke called the meeting to order at 2:00 p.m.

WORK SESSION AGENDA ITEMS

BUDGET WORK SESSION: GENERAL FUND PRESENTATIONS

Mr. Vosburg said that the purpose of the meeting was to discuss three budget scenarios based on tax rates. He said that these scenarios were inclusive of the fire levy. He said the options were at rates of 91 cents, 89 cents, and 87 cents. He said that the goal for the meeting was to strive towards consensus regarding the options presented, assessing whether there was interest in any of them or if alternative options could be considered. He said the options represented their professional recommendations. He said that there was a joint meeting planned with the School Board for Thursday, which was also being considered during the discussion.

Andrea Light, Chief Director of Financial Services, said that the FY 2025 proposed budget contained a significant number of unfunded items. She said there was $11.2 million of unfunded County requests, including 31 positions that were not included in the proposed budget. She said that as they began discussing moving from a 94 cent tax rate to possibly 91, 89, or 87 cents, none of that was included within any of these options. She said that staff took the proposed budget and started removing items. She said that when they examined option one at 91 cents, this included the fire levy at the effective rate.

Ms. Light said the Board had requested them to consider using the fire levy at the effective rate and utilizing unassigned fund balance from a potential change in financial policy to maintain all fire stations and apparatus at their current pace. She said they successfully achieved this, moving the fire levy from the proposed rate of $0.0225 to the effective rate of $0.0131. She said that under option number one at 91 cents, this would have the real estate tax rate at $0.8969. She said that this option reduced the amount for schools from $15 million to $13 million. She said that it eliminated several new expenditures, including reclassification and personnel changes, ongoing capital costs for schools and the county, and health insurance.

Ms. Light said that it was crucial to consider that the increase in health insurance that the general fund would have covered had been considered due to rising costs; therefore, they may need to address this issue in the spring and reintegrate those expenses into employee costs. She said that this option also removed certain positions. She said that it eliminated one fire and rescue ambulance crew, which was previously proposed to have two in the budget. She said that it reduced eight hours from cooperative extension, which had requested a part-time to full-time conversion as part of their proposal. She said they currently had one employee working 20 hours, and with the proposed budget, they aimed to increase this to 28 hours to support the 4-H program. She said that this change would cost approximately $22,000 but had been removed from the budget.

Ms. Light said that the Commissioner of Revenue had requested a business compliance officer, primarily in support of data centers; however, this may be postponed for one year due to timing concerns. She said that in option one, the school reduction by percentage was approximately 25%, while the county reduction was around 75%. She said that as they transitioned from option one to option two, everything removed from option one, such as new expenditures and personnel, was also excluded from option two.

Ms. Allen said that regarding the business compliance officer for the data center, she would like to inquire if this position could be filled mid-year and still fall within the budget, rather than being hired at the beginning of the year.

Ms. Light said that if the Board directed staff to implement this change mid-year and find funding for it, they could consider restructuring these options. She said that there were numerous ways to adjust these options. She said that if they examined everything contained within the yellow and orange boxes, they could see that there was not much. She said that if the Board wished to address the Commissioner of the Revenue position, they would look to options two and three on the right-hand side and remove another item. She said that although they could implement this change mid-year, it would create a burden for the subsequent fiscal year.

Dr. Yeung said that option one's items were inclusive of options two and three when examining them. She said that when considering the county reduction by percentage, 75%, she was curious about why removing additional items from options two and three resulted in a lower percentage reduction.

Dr. Light said that was because the reduction in schools became much more in options two and three.

Dr. Yeung asked for a list of the items that were removed from option one.

Ms. Light said that everything in yellow for option one was removed. She said that there were three positions also removed. She said that taking from the County Administrator's budget, option one removed $2 million dollars from schools and all of those items under new expenditures. She said that option one also reduced a fire and ambulance crew, eight hours to be added to cooperative extension, and a Commissioner of the Revenue business compliance position.

Ms. Light said that as they moved into the next option, all of these changes would be included. She said that there was not much to take from the county as they started reducing these items. She said that option one focused on easier changes to keep schools closer to $15 million. She said that in option two, they looked at departments with more than one position and started removing those positions. She said that in option three, they removed many more positions.

Ms. Vanuch said that in response to Supervisor Allen's original question regarding the Commissioner of Revenue business compliance officer, these positions could be added if their revenues were projected to be higher, and data centers came online earlier. She said that there was no need for these positions to be included in the budget initially, and they could be added later, similar to mid-year positions, rather than being listed as part-time positions. She asked for percentages of the total tax increase be provided for each option.

Ms. Light said that they could provide those percentages at the 7 p.m. meeting.
Ms. Vanuch said that having rates at 89, 87, and 81 cents for the service would be really helpful. She said her last question was whether the fire levy at the effective rate was included in these rates.

Ms. Light said that the fire levy was included.

Ms. Vanuch said that they would technically be advertising a lower rate. She asked for those rates to be provided so that they knew how to make the advertised rate since the fire levy would be advertised separately. She asked if the fire levy had to be advertised if it were not increased. She said she understood from the Commissioner that they did not have to advertise a tax increase unless they were increasing the tax over 84 cents.

Ms. Light said that they generally advertised all of their tax rates, even if there was no increase.

Ms. McClendon said it was important to remember that one must advertise the real property tax rate separately. She said that the advertised rate for the effective rate was $0.8269, as this was what the code required. She said that they were not permitted to advertise these rates together. She said that whatever the Board set for the advertisement rate for real estate tax, they would have to advertise accordingly. She said that they advertised all of their tax rates; thus, the fire tax rate would be advertised separately.

Ms. Vanuch said that they must advertise both options. She said that regarding her earlier point, she wanted to ensure they had accurate numbers. She said that since these options included the fire levy, advertising each of them would result in lower numbers. She said that having the figures would be helpful.

Ms. Gary said that during their previous meeting, they had agreed upon considering 87, 89, and 91 cent options for their proposal. She said that she believed that they had at least four Board members who expressed interest in funding $15 million for the schools. She said that she would like to emphasize that she thought they should consider this option since it was discussed and seemed to have majority support among them. She said that her second question pertained to the 31 positions that were not included in the proposed budget. She asked which departments these positions were in.

Ms. Light said that primarily, these positions will be focused on public safety. She said that for instance, the Fire and Rescue department requested a full engine crew, consisting of 12 members. She said the Sheriff requested four deputies; however, none of these positions were funded. She said that the focus will primarily be in public safety. She said that Social Services requested various positions that were not proposed due to insufficient federal and state revenue for these roles.

Ms. Gary asked what the positions were for Social Services. She said that the caseload for Social Services had been high.

Ms. Light said there had been a significant number of new positions for Social Services over the past couple of years.

Ms. Gary asked if more positions had been requested.

Ms. Bohmke said that during the past six years, while reviewing the caseload, she recalled bringing up the issue of inadequate funding at a Board meeting and stating that they were significantly underfunding these positions. She said that since then, they had added at least two positions every year. She said that currently, they only covered 15% of the costs for these positions, while the state covered 85%.

Ms. Gary said that since they funded those positions last year, she wanted to know the impact on their caseloads and their environment there.

Ms. Light said that in FY 25, there were unfunded positions in various departments. She said that there were two for the Commissioner of the Revenue, Commonwealth Attorney, and Assistant Commonwealth Attorney. She said that there were two for Financial System Analysts. She said that there was a Fire and Rescue Administrative Specialists for Training Division, a Fire and Rescue Community Fire and Life Safety Educating Coordinator, a Fire and Rescue EMS Education Coordinator, a Fire and Rescue Logistician, and a Fire and Rescue Procurement and Finance Specialist.

Ms. Light said that for IT, there was a Network Engineer and Project Manager. She said that for Parks and Rec, there was a part-time Administrative Specialist. She said that for the Sheriff, there was a Veterinarian, a Human Resources Specialist, and a Record Specialists. She said that for Social Services, there was an Administrative Program Assistant 2 and Benefits Program Specialist 2.

Ms. Light said that regarding Social Services, they could answer the questions if they understood whether the Board was trying to reach a policy decision, achieve a specific percentage, match another locality's standards, or address the turnover rate.

Ms. Gary asked about one-time funding used for recurring expenses last year and requested that they provide the cost of continuing to fund those items this year. She asked if they could also include the percentage increase required to maintain those ongoing expenses now that they no longer had those one-time funds available.

Ms. Light said that in the Board's policy, they practiced not using one-time funding for on-going items. She said that there were few items coming from ARPA, mainly associated with Ask Blue and body-worn cameras. She said that the Board may recall that body-worn cameras' approval included a three-year step-down plan. She said that the total cost of these items amounted to $171,000. She said that there was a $3 million reduction in revenue due to the sheriff's salary.

Ms. Gary said that they would have to pay $3 million from the tax rate since they no longer had those funds, which were one-time funds.

Ms. Light said yes.

Ms. Gary asked how many cents on the tax rate $3 million would be.

Ms. Light said that one penny was equivalent to $2,625,000. She said that the impact would be approximately 1.1 pennies.

Mr. Diggs said that while he understood that there was a built-in pay increase for County employees, he had a concern about passing health insurance cost increases onto County employees. He said that this action would result in a pay reduction for them, which was a concern for him.

Ms. Bohmke asked what the costs would be to employees if the health insurance costs were passed on to employees.

Ms. Light said that the analysis for that had not been finished because this had been incorporated into their budget. She said that they would conduct that analysis now and present the results back to the Board.

Ms. Light said that option two included all items from option one. She said that the tax rate for real estate would be $0.8869, and the fire levy would be at an effective rate of $0.0131. She said that in this scenario, schools would receive $9 million, down from $15 million, representing a $6 million reduction for schools. She said the library request would be halved, amounting to $237,000. She said this was not the total library budget but half of the new request. She said that the health department's proposed budget would be reduced by 50%, from $1.2 million to $318,000 in the proposed budget. She said that this cut would reduce their funding by half, amounting to approximately $160,000.

Ms. Light said that numerous new County initiatives had been removed from this scenario. She said that market pay reduction would be reduced by 25% back to 50% of the recommendation, affecting various positions in finance. She said that this change eliminated one position from each of the departments listed: Finance (debt and capital accountant), Sheriff (traffic supervisor), Commonwealth Attorney (media technology specialist), HR (class and comp specialist), Sheriff (two court deputies), and IT (network analyst).

Ms. Light said that under option three, the schools would receive a $6.8 million increase over their previous year's budget. She said that they would cut all new funding for the library of $174,000 and the health department to achieve this goal. She said that both agencies would remain at their FY 24 base level. She said that they would also halve the public safety scale adjustment and reduce the general government merit by half. She said that this would result in a 4% raise for public safety and general government instead of the initial 5% raise.

Ms. Light said that this decision would lead to the elimination of several positions, including those that the Board had previously requested to maintain. She said that these positions included a building maintenance mechanic, a land use planner for development services, an HR specialist for talent management and recruitment, a second fire and rescue crew for ambulance duties, a security analyst in IT, the sheriff's records specialist, the sheriff's admin specialist for transcription, a planning and zoning long-range planner for development services, a senior accountant for accounts payable and receivable, and a paralegal for the Commonwealth Attorney. She said that with these reductions in place, even at this tax rate, there were limited options left for schools, which would face a 45% reduction in funding, while the county would experience a 55% reduction.

Ms. Bohmke asked Ms. Light to explain the graph to Mr. English since he just arrived to the meeting.

Ms. Light said that they began by following the Board's direction to propose a budget at 91, 89 and 87 cents. She said that these figures included a fire levy at an effective rate of 1.31 pennies. She said that under option one, if they removed the fire levy, the tax rate for regular real estate would be $0.8969. She said the items listed in yellow and orange were removed in the 91 cent budget. She said that as they moved to option two, these changes built upon those previously removed. She said that in option two, they added additional items for removal.

Dr. Yeung asked the dollar amount for positions requested last year that had not yet been fulfilled. She said that specifically, she was referring to positions that were requested previously but remain unfilled.

Ms. Light said that they could follow up with the information.

Ms. Gary said that they had previously discussed the $15 million for schools, but these options did not include the funding. She asked what the tax rate would be if they went with the first option and fully funded the $15 million request from schools.

Ms. Light said $2 million would have to be reallocated from the general fund. She said that this could involve reducing employees' raises or making cuts elsewhere in the budget.

Ms. Gary said she was interested in the impact on the tax rate if the funding were increased.

Ms. Light said the impact would be just under 1 cent.

Mr. Diggs asked what the cost would be to add the second fire crew.

Ms. Light said that the cost was $724,987 for one crew. She said that this was equivalent to $0.028 on the tax rate.

Mr. Diggs clarified that at 92 cents, they could include the fire crew.

Ms. Bohmke asked, related to the fire crews, if they were required to have two and an ambulance. She said that when they typically funded fire crews, there were three or four people per crew. She said that she recalled that at Falmouth, the initial funding was $1.2 million; however, since then, costs had increased due, and it was now about $1.4 million.

Mr. English asked what the increase for 3R was.

Ms. Light said that it was $709,523. She said that for the schools, this would result in them receiving $2.5 million in cash funding from the County annually. She said that the $709,523 was an increase, and it did not reduce anything else from any base budgets that they had already in place.

Ms. Bohmke said that when examining the Sheriff's Department, they must acknowledge that certain positions had been removed. She said that she understood that conversations had taken place between the Sheriff and Mr. Vosburg regarding their difficult-to-fill positions. She said that consequently, they were not funding new positions for them because many of those positions had remained unfilled during this current fiscal year.

Ms. Light said that the Sheriff's Department had been struggling, like most of the County government, with recruiting and retaining employees.

Dr. Yeung asked if County positions remained unfilled whether the funding transferred to the subsequent year

Ms. Light said that if budget management currently had seven people and there was a vacancy, they still intended to have seven people in the department next year.

Dr. Yeung asked what happened to the funding if they still had three positions that needed to be filled.

Ms. Light said that they analyzed vacancy savings across the County to identify potential savings. She said that the Board approved $1.8 million in vacancy savings for this year's budget, which they had already partially utilized. She said that they anticipated having some vacancies throughout the year and accounted for them in their calculations. She said that any additional vacancy savings beyond their initial estimate contributed to year-end savings, which may be added to the fund balance for future one-time purchases.

Mr. Vosburg said that they would certainly welcome any additional guidance from the Board at this stage. He said that they would have the information regarding the tax increase percentages. He said that the Board could consider which items they wanted to fund and switch around. He said that they would request that they advertise a tax rate; however, given that they were almost a month away from budget adoption, they would greatly appreciate receiving any further guidance or alternative scenarios today.

Ms. Bohmke said that under option one, the fire and rescue crew had been removed. She said that over the next month, they had the opportunity to fund the crew and remove another item in its place.

Mr. Vosburg said that after they advertised the rate, any additions to the budget would have to have associated items removed since they could no longer increase the rate.

Ms. Light said that she provided the Board with the tax rate, which would be included in the discussion on advertising tax rates along with Supervisor Vanuch's requested additions.

Ms. Vanuch asked how quickly the additions could be provided to the Board. She said she wanted to review them if possible. She said that she was struggling to understand the implications of the difference between 89 and 91 cents in terms of percentage and tax increases. She said that it was crucial for them to clarify this information for their constituents before the advertisement.

Mr. English said that since his tax rate increased by $90,000, he would be paying significantly more than if it increase 40%, so the information was deceiving.

Ms. Bohmke said that was his tax assessment.

Ms. Vanuch said that was why raising taxes during an assessment year was not advisable.

Ms. Allen said that in the spreadsheet, they should calculate the cost per month at the applicable tax rate. She said that since they had already accounted for the change, they could determine the total cost for one month.

ADJOURNMENT

At 2:43 p.m., Chairman Bohmke adjourned the March 5, 2024 Stafford County Board of Supervisor's Budget Work Session.

Randy Vosburg

Randal E. Vosburg
County Administrator

Meg G. Bohmke

Meg Bohmke
Chairman