

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD A BUDGET WORK SESSION ON TUESDAY, JANUARY 24, 2012, AT 5:00 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM LOCATED IN THE GOVERNMENT CENTER, 1255 FRANKLIN STREET, SUITE 104, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT: David Cundiff, Chairman
Leland Mitchell, Vice-Chairman
Bob Camicia
Ronnie Thompson
Charles Wagner
Cline Brubaker
Bobby Thompson

OTHERS PRESENT: Richard E. Huff, II, County Administrator
Christopher Whitlow, Asst. Co. Administrator
Larry Moore, Asst. Co. Administrator
B. J. Jefferson, County Attorney
Sharon K. Tudor, MMC, Clerk

David Cundiff, Chairman, called the meeting to order.

SCRUGGS VOLUNTEER FIRE DEPARTMENT SURPLUS VEHICLE

Richard E. Huff, II, County Administrator, advised the Board Scruggs Volunteer Fire, Rescue and Dive Team maintains a fleet of vehicles for service in their community and for use throughout Franklin County. The dive team is a county resource that conducts underwater search and recovery operations. The Scruggs Fire, EMS, and Dive Team have a vehicle that is used to fill firefighter and dive team air cylinders that is designated as Air 10 within the system. In August of 2011, the vehicle developed mechanical issues and is being retired from service.

The vehicle to be declared surplus (Air 10) was originally purchased in 1986 and used as the crash truck for Scruggs Fire, EMS, and Dive Team. In 1997, the agency purchased a new crash truck and the former crash truck was converted to an air truck that was used to support fire and dive team operations. In 2001, a used 1994 year model Mack chassis was purchased to replace the original 1986 Chevrolet chassis on the vehicle and the storage compartments and mobile air supply tanks were remounted onto the Mack chassis.

In August 2011, the vehicle broke down while enroute to a dive team assignment. Mechanics found the engine to had blown in the vehicle. The chassis has 211,155 miles on it and estimates obtained by Scruggs to repair the damaged engine exceeds the trucks value. In December of 2011, a 1995 Chevrolet ambulance was reassigned to Scruggs Fire, Rescue and Dive by Public Safety to replace the air truck. The 1995 Chevrolet was removed from front line service in 2007 as an ambulance but was maintained in the fleet for a support vehicle. Upon inspection, Scruggs Fire, EMS, and Dive Team found the vehicle to be suitable for conversion to a mobile air supply vehicle. The Scruggs Fire, Rescue and Dive Team will cover the expense to convert the 1995 Chevrolet for service as a mobile air supply and Dive Team support truck.

In order for Scruggs to dispose of the 1994 Mack truck, the Board of Supervisors must release its interest in the vehicle. Since there were no county funds used to provide for the original purchase or to rechassis the vehicle, funds derived from the sale should be retained by Scruggs Fire, Rescue and Dive Team.

RECOMMENDATION: Staff respectfully recommends the Board of Supervisors release its interest in the vehicle and return the signed title to the Scruggs Fire, Rescue and Dive Team for disposal.

(RESOLUTION #18-01-2012)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to appoint

MOTION BY: Bob Camicia

SECONDED BY: Charles Wagner

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

Chairman Cundiff recessed the meeting for the previously scheduled budget work session.

Vincent Copenhaver, Director of Finance, presented the following presentation regarding the upcoming budget.

Franklin County

Budget Work-Session
January 24, 2012

Shortfall Summary

Potential Shortfall - Schools	\$3.1 million
Potential Shortfall - Local Government	\$558,473
Potential Shortfall If Rate Held at \$.48	\$6.1 million
Preliminary Shortfall (Department Budgets are still being Reviewed)	\$9.8 million
Estimated Additional Department Personnel and Operating Requests	\$1.0 million
Total Potential Shortfall	\$10.8 million

Analysis of General Fund Cash Balance

Remaining General Fund Cash Balance at June 30, 2011	\$16,246,134
Used during FY11-12:	
Additional Landfill Appropriation	(\$1,000,000)
Future Business Park Set-Aside	(\$750,000)
Capital Maintenance Reserve	(\$450,000)
School Carryovers	(\$908,134)
County Carryovers	(\$819,748)
Cost of Living Payment Schools	(\$455,841)
Cost of Living Payment County	(\$136,159)
Total (if transfers occurred July 1)	\$11,726,252

****County Adopted Policy to Maintain Two Months of General Fund Operating Revenues as our Cash Reserve at June 30th = \$12,302,568*

Introduction

- The Total County Budget is Divided Roughly 64% School, 30% General County Government and 6% Capital and Debt
- This evening, let’s just isolate the 30% and take a look at what’s included on the County Government portion of the Budget.
- In total dollars, the 30% equates to roughly \$36 million.

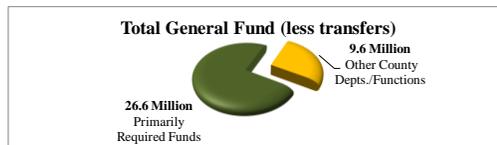
County General Fund

- The Five Largest Departments Included in the \$36 million (and all are departments we have little control over):

*Sheriff Including Courts, Law Enforcement, Local and Regional Jail	\$8.4 million	23%
Social Services	\$5.6 million	15%
Comprehensive Services	\$4.5 million	12%
*Public Safety, Animal Control, Animal Shelter, Emergency Mgt.	\$3.2 million	9%
Landfill, Recycling and Trash Collections	\$1.5 million	4%
Total	\$23.2 million	64%

**Sheriff and Public Safety represent 32% of the General Fund Dollars*

- Of the \$36.2 million, the County has little or no control over:



Sheriff Including Courts, Law Enforcement, Local and Regional Jail	\$8.4 million
Social Services	\$5.6 million
Comprehensive Services	\$4.5 million
Public Safety	\$3.2 million
Landfill, Recycling and Trash Collections	\$1.5 million
Commissioner of Revenue, Treasurer, Clerk of Court, Commonwealth Attorney	\$2.3 million
Registrar	\$248,306
Annual Reassessment Set Aside Budget	\$150,000
Juvenile Detention	\$398,637
Electric Budget	\$378,986
Total	\$26.6 million

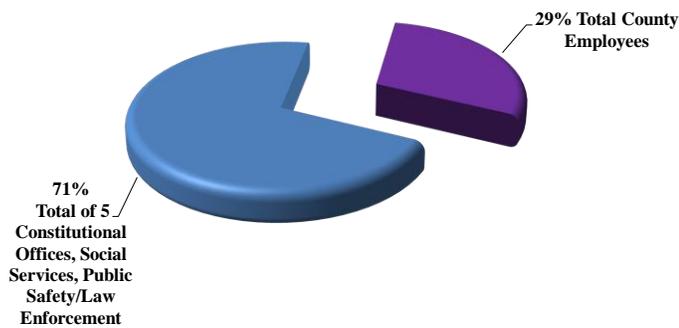
Salaries and Benefits are approximately 47% of the \$36 million.

Some of the Remaining 53%:

Comprehensive Services Act	\$4.3 million
Social Services Programs	\$2.6 million
Regional Jail Per Diem and Debt Service	\$2.5 million
Juvenile Detention	\$400,000
Vehicle Fuel and Maintenance	\$1,066,800
Electricity, Heating Fuel, Water & Sewer	\$671,000
Health Department, Extension, Other Contributions	\$861,868
Public Safety Volunteer Agency Allocations	\$491,000
Risk Management including Workers Comp, Auto, Liability	\$352,210

Personnel

Employees Can Be Divided Between Constitutional Employees, Public Safety/Law Enforcement, Social Services (71%) and Other County Employees (29%)



Personnel Changes

	FY07-08	FY 11-12	% Change
Total County Employees (Other than Below)	100	92	-8%
Total Constitutionals, Social Services, Public Safety/Law Enforcement	219	222	1%
Total	319	314	-2%

39% (124) of total County employees (314) are in Sheriff and Public Safety.

County Full Time Positions by Department

Board of Supervisors Clerk	1	General Properties/Building & Custodial Maintenance/911 Signs	7
County Administration	3	CSA	2
Finance/Risk Mgt./Budget/Payroll	3	Family Resources	2
Human Resources	1	Aging Services	2
Info. Tech./Network Security/PC Service & Desktop Mgt.	9	Parks and Recreation	10.5
Registrar	2	Library	8
Courts	2	Planning/Zoning/E&S Inspections	8
Building Inspections/Plan Review	7	Economic Development	.5
Public Works/Grant Administration	3	The Franklin Center	3
Solid Waste/Landfill	16	GIS	2
Total = 92			

Positions Eliminated - County

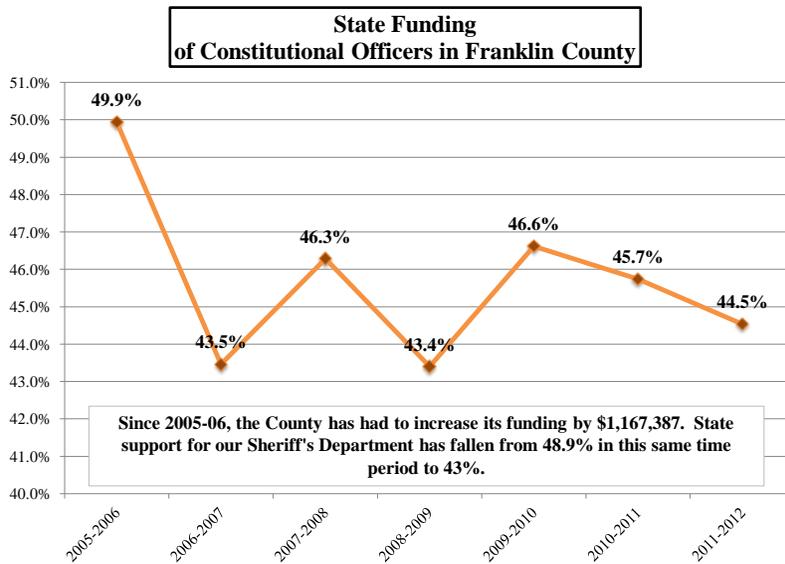
- Planning Technician
- Planner II
- Zoning and Plans Coordinator
- Two Case Managers - Family Resources
- Director of Public Works/Engineer
- Custodian - General Properties
- Building Inspector

Constitutionals, Social Services, Public Safety, Law Enforcement:

	FY07-08	FY 11-12
Commissioner of Revenue	10	9
Treasurer	7	7
Commonwealth Attorney	7	8
Clerk of Court	11	10
Sheriff	98	97
Social Services	58	64
Public Safety	28	27
Total	219	222

Positions Eliminated - Constitutionals, Social Services, Public Safety, Law Enforcement:

- Animal Control Officer
- Deputy Sheriff - Corrections
- Deputy Clerk of Court
- Real Estate Appraiser



**Major Cut-Backs to County Budget
from FY 08-09 to FY 11-12**

▶ REDUCTION IN COUNTY POSITIONS	-8%
▶ FURNITURE AND FIXTURES	-91%
▶ MACHINERY AND EQUIPMENT	-72%
▶ TRAVEL & MILEAGE	-58%
▶ TRAVEL -LODGING & SUBSISTENCE	-58%
▶ UNIFORMS	-36%
▶ OFFICE SUPPLIES	-28%
▶ PROFESSIONAL SERVICES	-24%
▶ VEHICLE & POWER EQUIP SUPPLIES	-14%



20 Year Look at Franklin County Tax Rates

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Machinery and Tools</u>	<u>Merchant's Capital</u>
2011	0.48	2.04	0.6	1.08
2010	0.46	1.89	0.60	1.08
2009	0.46	1.89	0.60	1.08
2008	0.53	1.67	0.54	1.08
2007	0.53	1.67	0.54	1.08
2006	0.53	1.67	0.60	1.08
2005	0.52	1.67	0.54	1.08
2004	0.60	1.67	0.54	1.08
2003	0.60	1.67	0.54	1.08
2002	0.55	1.67	0.54	1.08
2001	0.55	1.67	0.54	1.08
2000	0.55	1.67	0.54	1.08
1999	0.55	1.67	0.54	1.08
1998	0.55	1.67	0.54	1.08
1997	0.55	1.67	0.54	1.08
1996	0.55	1.67	0.54	1.08
1995	0.60	5.56	5.40	5.40
1994	0.60	5.56	5.40	5.40
1993	0.50	5.56	5.40	5.40
1992	0.50	5.56	5.40	5.40
1991	0.50	5.56	5.40	5.40

Land Use Overview

- There are 3,604 parcels of land in the Land Use Program.
- 8.6% of the 42,000 total County parcels.
- Total cost of the Land Use Program is \$2.3 million less in annual real estate revenues.
- This \$2.3 million is annual real estate tax savings to those in the land use program and helps the agricultural community as well as assisting in the preservation of open space.

Franklin County
Land Use Scenarios - Does not Include Other Property such as Homes and Buildings
Example of 200 acres, 100 acres in crops, 50 acres in pasture, 50 acres in forest

Example at Current Tax Rates:				
	If Land was Valued at Fair Market Value	Crop Land	Pasture Land	Forest Land
Value Per Acre	\$4,000	\$550	\$300	\$370
Number of Acres	\$200	\$100	\$50	\$50
Total Value	\$800,000	\$55,000	\$15,000	\$18,500
Tax Rate	\$0.48	\$0.48	\$0.48	\$0.48
Total Taxes at Fair Market Value	\$3,840			
Total Taxes at Land Use Values	\$425	\$264	\$72	\$89
Annual Savings to the Land Owner	\$3,415			

Equalized Tax Example:			
	Crop Land	Pasture Land	Forest Land
Value Per Acre	\$550	\$300	\$370
Number of Acres	\$100	\$50	\$50
Total Value	\$55,000	\$15,000	\$18,500
Tax Rate	\$0.575	\$0.575	\$0.575
Total Taxes at Land Use Values	\$316	\$86	\$106
Annual Difference	\$84		
Difference Per Month	\$7		

	Boone	Blue Ridge	Blackwater	Gills Creek	Rocky Mount	Snow Creek	Town of Boones Mill	Town of Rocky Mount	Union Hall
% Drop in Values (as of 1/3/12)	-8.37%	-7.54%	-9.56%	-20.87%	-9.76%	-8.85%	-3.16%	-10.42%	-17.90%
\$200k property under new assessment becomes:	\$183,260	\$184,920	\$180,880	\$158,260	\$180,480	\$182,300	\$193,680	\$179,160	\$164,200
Tax on \$200k property	960	960	960	960	960	960	960	960	960
Tax on New Value at Equalized Rate (\$.57)*	\$1,044.58	\$1,054.04	\$1,031.02	\$902.08	\$1,028.74	\$1,039.11	\$1,103.98	\$1,021.21	\$935.94
Difference on \$200k property annually	84.58	94.04	71.02	(57.92)	68.74	79.11	143.98	61.21	(24.06)
Difference monthly	7.05	7.84	5.92	(4.83)	5.73	6.59	12.00	5.10	(2.01)
Loss of Revenue @ .48	\$5,508,000.00								
*Equalized Rate Subject to Change Following Hearings									
Tax on New Value at Existing Rate (Rate stays at \$.48)	\$897.97	\$906.11	\$886.31	\$775.47	\$884.35	\$893.27	\$949.03	\$877.88	\$804.58
Difference annually	(62.03)	(53.89)	(73.69)	(184.53)	(75.65)	(66.73)	(10.97)	(82.12)	(155.42)

POTENTIAL BUDGET BALANCING STRATEGIES			
3/2/2010			
User Fees	Description	Amount	Board of Supervisors Guidance
	Recreation/Park Fees/Late Fees/Youth Athletic Fees	\$ 80,000.00	4000 participants at \$20.00 each
	Possible Solid Waste Increase Tip Fees		Tab 2 --- See attached Memorandum
	Public Safety increase false alarm response fee	\$ 3,500.00	Tab 3 --- See attached Memorandum
	"Hard bill" out of county residents	\$ 8,000.00	per DAB
	"Hard bill" all calls	\$ 50,000.00	per DAB
	Implement billing for woodland fire responses	\$ 18,000.00	This is an estimate
	Fireworks & Explosive Permits	\$ 2,000.00	Increase fee from \$250 to \$500
	Bill for Fire/EMS responses to DUI related accidents	\$ 40,000.00	Would have Admin. cost
	Library Fees (i.e. Late fees, DVD/tapes fees)	\$ 12,000.00	Tab 4 --- See attached Memorandum \$0.05 to 0.10 increase - DVD max from \$3 to \$6
	Library Room Rental fees	\$ 5,000.00	Keep all meeting rooms fees consistent throughout the County \$25/\$50 and \$50/\$100
	Franklin Center Fees (meeting rooms, partners, misc., etc.)	\$ 7,000.00	Tab 5 --- See attached Memorandum
	Court fees - Local surcharges		
	Dog Tags	\$ 29,000.00	\$10 for all dog tags less 10% Tab 24
	Adoption Fees at Animal Shelter	\$ 7,403.00	\$10 to \$25 increase Tab 22
	Special Occasion/Event Fees/Application Fees	\$ 1,800.00	Keep all meeting rooms fees consistent throughout the County Tab 23
	Administrative Fees for Fuel Services (0.10 charge per gallon)	\$ 3,500.00	Currently bill to - Ferrum Water & Sewer/VA State Police/ Game Warden/Piedmont Community Services
	IDA Application Fees		\$250 to \$2,000 per application (cost County approximately \$500 per meeting)
	Extendign SML Beach days - Addintional funds required		
	Opt 1 - Memorial day to Labor day	\$ 29,088.00	
	Opt 2 - Memorial day to Labor day Weekends only	\$ 24,768.00	
	Opt 3 - Folloing School break calendar	\$ 21,888.00	

Taxes	Description	Amount	Board of Supervisors		Comments
			Guidance		
	Real Estate	\$ 612,155.00			1 Penny at a 95% collection rate
	Eliminate Amnesty on RE interest	\$ 67,000.00			
	Personal Property	\$ 42,675.00			1 Penny at a 95% collection rate
	Machinery & Tools	\$ 8,742.00			Tab 13 --- 1 Penny
	Business Personal Property				Can this be taxed as a separate class?
	Increase Vehicle Decal fees	\$ 200,000.00			\$5.00 increase
	Total	\$ 930,572.00			

Service Reductions	Description	Amount	Board of Supervisors		Comments
			Guidance		
	Reduce Library hours at Central	\$ 26,298.89			5% -closing Friday plus one evening (part time salary savings)
	Reduce Library hours at Central	\$ 46,860.00			10% - laying off or retirement of 1 full time person
	Reduce Library hours at Central	\$ 13,149.44			15% - loss of another 22 work hours per week (part time salary saving)
	Reduce Library hours at Westlake branch	\$ 6,507.44			5% -closing 6 hours a week (already closed on Mondays)
	Reduce Library hours at Westlake branch	\$ 3,254.25			Closing an additional 2 hours a week (part time salary)
	Reduce Bookmobile hours	\$ 3,240.00			annual savings - cutting hours by 1/2
	Eliminate paid crew at Public Safety Station	\$ 150,000.00			Currently staffing 4 stations
	Eliminate Number of Recreation Programs and / or Events	\$ 10,000.00			Tab 14 & Tab 15 --- See attached Memorandum
	Eliminate EMT program at High School	\$ 50,000.00			
	Eliminate 1 semester high school EMT program	\$ 12,600.00			decreased volunteer recruitment
	Sheriff -- Eliminate DARE program	\$ 50,000.00			
	-Eliminate County Share of School Resource Officer	\$ 50,000.00			
	Total	\$ 421,910.02			

	Reduce Salaries - Full Time & Part Time	\$ 108,292.00			1% is equal to 2.6 furlough days (Does not include salaries set by State Appropriation Act)
	VRS passed to employees (ability to do so is still in question)	\$ 115,500.00			per 1%
	Restructure County/School Debt Services				
	Health Insurance passed back to employees				
Other	Description	Amount	Board of Supervisors		Comments
	General Fund Subsidy to Tourism	\$ 38,000.00			

Analysis of General Fund Remaining Budget Balance

General Fund Remaining Balance at June 30, 2011 \$2,054,060

Significant Remaining Balances

Include

Gen Gov't Administration - Includes BOS, County Administration, Treasurer, Commissioner, Finance, HR, Risk Management, IT, Registrar	\$269,955	Social Services	\$171,667
		Comprehensive Services Act	\$185,285
		Aging Services	\$75,626
		Other Health and Welfare	\$13,481
Juvenile Detention	\$143,152		
Other Courts including Clerk of Court, Commonwealth Attorney	\$34,593	Parks, Recreation, Libraries	\$50,770
Regional Jail Per Diem/Debt Service	\$447,934	Community Development (includes re-write of zoning and subdivision ordinance, GIS, Franklin Center, Extension, Economic Development	\$238,646
Landfill/Solid Waste	\$165,862		
Public Works, General Properties	\$63,067	Board Contingency/Other	<u>\$194,022</u>
Total	\$2,054,060		

How were the funds used???

- ◆ \$819,748 of this total \$2,054,060 was carried over to this fiscal year to complete projects such as the zoning ordinance, continue the Domestic Violence Grant, continue the spay neuter program and continue EMS training in public safety.
- ◆ The balance of \$1.2 million was added to the County's fund balance in anticipation of moving some of this to the county capital fund.

Additional Analysis of School Finances January 24, 2012

The Schools had remaining Expenditure Budget at June 30 of:

10-11 Adjusted School Expenditure Budget	82,145,061
Actual Expenditures	<u>79,543,623</u>
Variance	<u>2,601,438</u>

Included in this \$2.6 million balance are remaining local funds of \$914,000 which also includes the energy reserve and land purchase funds.

Large Remaining Balances were shown as follows:

School Food Service (1)	822,056
Title I Elementary (1)	437,641
Energy Funds & Land Purchase (2)	468,128
Title VI-B Elem & Secondary (1)	682,409
Title I Preschool (1)	54,418
Adult Education – Regional Program (1)	151,720
Other	<u>(14,934)</u>
	<u>2,601,438</u>

(1) Restricted /Designated for Specific Purposes – Cannot be Supplanted

(2) \$418,128 Carried-Forward and Reserved in County Capital Fund, \$50,000 Used for Buses.

School Food Service Report for 10-11 (Restricted Funds)

Revenues:	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Food Receipts	2,603,120	1,605,967	(997,153)
State Cafeteria Funds	41,929	64,033	22,104
Federal Cafeteria Funds	<u>2,080,886</u>	<u>2,158,947</u>	<u>78,061</u>
	<u>4,725,935</u>	<u>3,828,947</u>	<u>(896,988)</u>
Expenditures:			
Cafeteria Operations	<u>4,725,935</u>	<u>3,903,879</u>	<u>822,056</u>

It's not unusual for the Schools to have large budgetary expenditure remaining balances at June 30 but actual revenues were also under budget for those years:

Remaining Balance at June 30, 2011	2,601,438
Revenue Shortfall at June 30, 2011	<u>2,246,123</u>
Difference	355,315
Remaining Balance at June 30, 2010	6,721,267
Revenue Shortfall at June 30, 2010	<u>7,044,057</u>
Difference	(322,790)

It's not unusual for the Schools to have large budgetary expenditure remaining balances at June 30 but actual revenues were also under budget for those years:

Remaining Balance at June 30, 2009	2,924,409
Revenue Shortfall at June 30, 2009	<u>3,242,817</u>
Difference	(318,408)
Remaining Balance at June 30, 2008	2,321,182
Revenue Shortfall at June 30, 2008	<u>2,290,615</u>
Difference	30,567

Large Remaining Balances were shown as follows:

School Food Service (1)	822,056
Title I Elementary (1)	437,641
Energy Funds & Land Purchase (2)	468,128
Title VI-B Elem & Secondary (1)	682,409
Title I Preschool (1)	54,418
Adult Education – Regional Program (1)	151,720
Other	<u>(14,934)</u>
	<u>2,601,438</u>

(1) Restricted /Designated for Specific Purposes – Cannot be Supplanted

(2) \$418,128 Carried-Forward and Reserved in County Capital Fund, \$50,000 Used for Buses.

Ronnie Thompson, Boone District Supervisor, asked School Board Chairman Ed Jamison if the School Board was continuing the feasibility study on privatizing the bus transportation for the Schools. Mr. Jamison stated there was still a lot of data being gathered before a decision will be made.

Charles Wagner, Rocky Mount District, commended the Animal Control Department for the great job they have done in keeping the animal euthanasia rate down in comparison to other localities.

CLOSED MEETING
(RESOLUTION #19-01-2012)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to into a closed meeting in accordance with 2.2-3711, a-3, Acquisition or Disposition of Land, of the Code of Virginia, as amended.

MOTION BY: Bobby Thompson

SECONDED BY: Ronnie Thompson

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

MOTION: Charles Wagner

SECOND: Leland Mitchell

RESOLUTION: #20-01-2012

MEETING DATE January 24th, 2012

WHEREAS, the Franklin County Board of Supervisors has convened an closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act: and

WHEREAS, Section 2.2-3712(d) of the Code of Virginia requires a certification by this Franklin County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Franklin County Board of Supervisors hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Franklin County Board of Supervisors.

VOTE:

AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

NAYS: NONE

ABSENT DURING VOTE: NONE

ABSENT DURING MEETING: NONE

(RESOLUTION #21-01-2012)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to pursue a contract to purchase a greenbox collection site in Ferrum.

MOTION BY: Ronnie Thompson

SECONDED BY: Bobby Thompson

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

Chairman Cundiff adjourned the meeting.

DAVID CUNDIFF
CHAIRMAN

SHARON K. TUDOR, MMC
COUNTY CLERK