

VIRGINIA: At the Continued Meeting of the Board of Supervisors held at the Bland County Courthouse, Bland, Virginia, on the thirteenth day of April, 2016 at 4:30 p.m., the following duly elected and qualified members were present or absent.

PRESENT: Karen Hodock, Randy Johnson, Nick Asbury, Adam Kidd

ABSENT: None

ALSO PRESENT: Dr. Eric Workman, County Administrator; Sharon May, Deputy Clerk; Teresa Tolbert, Finance Manager; Rodney Ratliff, Deputy Administrator

### CALL TO ORDER

Chairman Karen Hodock called the April 13, 2016 Board of Supervisors' continued meeting to order.

### INVOCATION

#### PLEDGE TO THE FLAG

The invocation was offered by Eric Workman. Karen Hodock, Chairperson led the pledge of allegiance to the United States Flag.

### APRIL 13, 2016 MEETING AGENDA AS AMENDED – SPECIAL FUNDS

\*\*\*\*\*MOTION to approve the agenda as amended to include a motion for special funds was made by Nick Asbury and seconded by Randy Johnson.

Vote passed unanimously

### SPECIAL FUNDS APPROPRIATED FOR FOURTH GRADE TRIP TO MONTICELLO

\*\*\*\*\*MOTION to appropriate \$200.00 from Karen Hodock's special fund for the fourth grade trip to Monticello was made by Randy Johnson and seconded by Nick Asbury.

Vote passed unanimously

### BUDGET WORK SESSION

Dr. Eric Workman gave the following updates

- Levies No proposed change
- General Registrar – None at this time. The County has been notified that there is language in the State budget to make the General Registrar of the county a full time position.
- Sheriff's Department – None at this time. The adopted state biannual budget provides \$3.6 million in FY17 and \$8.7 Million in FY18 for a salary compression plan for Sheriff's offices and regional jails, should the state have the revenue to cover the compression. The cost of the salary compression is provided by the state through the compensation board. Salary compression does not go into effect January 1, 2017. The FY17 budget totals will need to be adjusted in the future to add the additional revenue and expenditure associated with the salary compression.
- Emergency Services/ Community Development – Budget Change \$18,000. The \$18,000 is removed from revenue in Fund 211 and \$18,000 is removed from expenditures in Fund 100. The \$18,000 was for anticipated grant funding associated with a telecommunication shelter at the tower in Bland in FY17. We have received grant funding in FY16 and staff is currently working on the project.
- Security – Budget Change Addition \$15,000 – It is recommended that \$15,000 be added to the revenue and expenditure line items of Fund 165 (Courthouse Security) for security

improvements, in accordance with the guidelines of state code. The code specifies how these funds are acquired and how they can be spent.

- School Board Budget – As requested, information has been obtained regarding classification of expenditures associated with the school division. - § 22.1 -89. Management of Funds; §22.1 - 91.1 Limitation on expenditures; §22.1-94. Appropriations by county, city or town governing body for public schools; §22.1-115. System of accounting, statements of funds available; classification of expenditures.

Randy Johnson asked, in this current budget is there any money being put in reserve?

Eric Workman stated, No. We have not put any money into reserve since the schools consolidated and we have been giving extra money to the schools.

Adam Kidd asked, Would the budget calendar have to be amended if we adopted the categorical budget requirement to the school board?

Eric Workman replied, No. You would have to make the motion and I would send a letter to the school board stating that categorical budget is the preference of the Board of Supervisors. The school board would have to resubmit a categorical budget.

#### BUDGET CALENDAR MODIFICATION

\*\*\*\*\*MOTION to approve the budget calendar modification as follows:

- April 21, 2016 – review revised school board budget
- April 22, 2016 – Proposed budget sent to Bland Messenger
- April 27, 2016 & May 4, 2016 - Proposed budget advertised in both editions of the Bland Messenger
- May 4, 2016 – 5:00 pm, - Public Hearing in the courtroom on the Proposed FY17 budget
- May 11, 2016 – 5:00 pm – Board of Supervisors meet to approve the Proposed FY17 budget was made by Adam Kidd and seconded by Nick Asbury.

Vote passed unanimously

#### FY2016-2017 Budget Forum Speakers

**Junior Stowers** – Requesting \$2,000 to support South West 4-H Education Center in Abingdon,

Eric Workman stated that all request that were received from organizations that provided services to Bland County Citizens received \$500.

**Jill Baker** – Requesting \$400 for shredding of one year's documents.

Randy Johnson asked if the shredding was taken off site.

Jill responded that the truck comes to the courthouse and shreds the documents.

Eric stated that he believed that this could be charged back to the state through a cost allocation.

**Gerry Schepers** - Looking back the school at 2001 the school budget was exceeded every year, the school ran in the red. In 2014, FY13/14 had a loss of \$607,000. FY15 budget the revenue would exceed the expenditure by \$510,000. At that time the question was raised, could Bland County afford to have public schools, because of running over ½ million dollars in debt every year. After the budget was approved, the schools were consolidated, the result was that the school was in the positive \$38,000. FY15/16 there was a drop of greater than 10%. A tremendous success for the schools and Bland County. So how is 2016 doing? The current forecast is that the current expenditures will come in \$15,000 below budget. The revenue is forecasted to come in \$137,000 over budget. None of the \$137,000 comes from Bland County. This money has come from grants and other sources. A new bus was purchased with the \$137,000, being that the state views that buses need to be replaced every 15 years. The school board voted to use these funds to replace the bus that was bought in 2000 for \$93,000. This is a win for the schools and the County. Bland County Schools and School Board will always have an objective to improve the budget. You get a budget you have a little over one year to execute it, I believe it is everybody's job to make the result better.

The Board of Supervisors also provided \$250,000 for capital projects in 2016, which filled a very critical need. The money was used to cover 10 projects. Covering elementary additional classrooms, move two classes that were outside of the building into the building, fire doors in the elementary school, the replacement of the press box, high intercom system, roof repairs, guttering repairs, elementary parking lot was stabilized and repaved, building moved, mobile classroom removed, water connection, also an attempt to repair the plumbing at the high school. Two items that received a lot of attention, the press box and restrooms, I would like to address. The press box is not an item that the school board wanted to spend money on, but we had been warned by the insurance company for several years that the stands and the press box were both unacceptable for public use. The stands are cinder block with sawmilled lumber, we have actually had one of them break and someone injured on them, and have a law suit at this time. An inspection by the liability insurance company threatened both the stands and the press box. Ms. Harman and myself went out and meet with the insurance company. We told the insurance company that we would inspect the boards and replace any that needed replacing, but that we didn't have the money to rebuild the stands. The insurance company agreed as long as the press box was replaced. The press box was built as a pole building and had rotted off and been propped up for a couple of years. Without the rebuilding of the press box the insurance company was taking away the ability to use the football stadium. The football complex is used for several things such as Bear Jam and graduation. So the priority changed as far as the press box. We worked with the courthouse in placing public bids. The bids were taken and the lowest bid was selected. As the progress moved along the architect stairs to the press box were wooden stairs and the insurance company limited the amount of people who were allowed to be in the press box. So with this in mind the stairs had to be changed to metal stairs for structure stability. The expenditure was \$94,000. Was this a good move? No. Was this how school board staff wanted to spend the money? No. We had no choice if we were going to be able to use the complex.

Randy Johnson asked, had the press box been inspected? Did the school board know it was in bad shape?

Gerry Schepers answered Yes, it had been inspected and Yes we knew it was in bad shape. The school board was hoping to put it off for one more year before making the repairs.

Gerry Schepers went on to say that the school board supported the repairs to the bathroom issues at the high school. The roofs also needed fixing and when they got into the repair the damage was much worse than was anticipated. The plan was that once the roof leaks were repaired then the bathrooms would be repaired as well. The roof repairs did not move along as quickly as we would have liked so in

turn, this delayed the bathroom repairs. Roof was fixed in November, then the repairs for the bathroom were to start during Thanksgiving break. New floor drains were installed; this did not fix the problem. There was another group brought in who did a smoke test and smoke came out of the walls. Once the walls were uncovered during Christmas the contractors found there are no pipes, that you could push your finger through the pipes. Mr. Hungate has been in search of a team to come this summer to repair the pipes. All three estimates have been over \$100,000. This is only in the one section of the pipes that are placed in the middle of the system. As soon as schools are over we plan to begin repair on the bathrooms. We have spent \$8,000 just to find out how bad it is.

Now moving to the main topic the FY16/17 budget there is an increase in health benefits of 10% that is costing us \$78,000 and a state mandated 2% salary increase that is costing us \$96,000. We were able through revenue this year been able to buy a bus to replace the one bought in 2000. When looking at our buses three of them were purchased in 2001 and will be reaching the end of life in 2016. Right now we have one bus in the budget. The restroom will and must be addressed. We have three very aged facilities a significant distance apart, we are constantly running shuttles from school to school and sports complex. We haven't done anything to improve the schools in 25 years. Education is critical to the success of the county. The school system has reduced spending like no other department in the county. Less than two years ago people were questioning if we have the money to run a public school in Bland County.

Randy Johnson stated that the Board of Supervisors have always supported education.

Gerry Schepers agreed that the Board of Supervisors have always supported education, but when the school are running \$500,000 to \$600,000 in the debt every year. That was the word that went around that drove consolidation. We have made a lot of decisions and have went from a \$500,000 in the red to \$38,000 profit. Maybe we should have been over here speaking to you more. As I have said before I would like to have a joint team with the Board of Supervisors because we have got to have a plan. Because the roof fix in Rocky Gap is a short term fix. We also have problems with the boilers, we are being told that we may not be able to burn coal much longer and both of our school heat with coal. Again, what are we going to do? We have got to have a plan, no one is saying what the plan is, but what I'm saying is you may disagree with our decisions, but I can give you the logic behind the decision. We are trying to get the most out of the money as we can. I am at your disposal any time. The school board has worked hard. I will be glad to answer any questions you may have.

Nick Asbury asked, we have several students who are moving up to the high school who need a special classroom, Has the school board addressed that?

Gerry Schepers stated, that has been brought up at the meetings, looks like there will be a need to have to have two areas to take care of these individuals. This is another burden on the school system. We use ten different building and I'm not proud of the maintenance. That is why we put Mr. Hungate in charge of the maintenance. We have not talked about staffing at this time, but I will add this to my list of things to do.

Eric Workman stated the following: Giving you a reason from my recommendation going back in time, when I first started, when I made the transition over to county administration, I will agree there were multiple leaks, trash cans are stored above the ceiling to catch the rain water. Back in 2010/2011 the county was going in to the at about 10% deficit. The next thing that happened was the composite index changed, and jumped to 27%, then 30% and again to 33%. With this jump it caused a \$164,000 that had to be provided by the county to cover that shortfall. When that happened my recommendation to the Board of Supervisors was to shut down the Mechanicsburg Learning Center, cut staff in the Treasurer, Sheriff's Deputy & Commissioner of Revenue office. Every office that could be cut, we did so. Going

back to what Mr. Johnson said, that our primary focus has been how can we get more money to the schools. When I first started we gave \$121,245 above the state minimum. There were multiple hearings held and still the school board did not consolidate schools. You are correct in saying that this financial trouble comes from way back in time. The stimulus and lottery construction fund was used to keep the school in operation without consolidation. Letters started being sent to the school board asking them to consolidate schools. At that time the Board of Supervisors started looking at how to develop our interstate exit in order to build our tax base to provide more money to the schools. Shortly after that a new superintendent was hired and the process continued on. After the school board had gone through six public hearings on consolidation, this school board prior to all of you, failed to have a quorum to have a vote on the school consolidation. So that brings us to the FY16/17 budget, when I made by recommendation to the board to fund \$2,581,492 of local money. I had an ace in the hole in my back pocket at that time. We were getting ready to make the announcement for the LOVE'S project. I stated to the board that is hard to continue to cut funding for school when we know we have a new establishment coming in. We built our budget thinking we would have revenue coming in from this LOVE'S truck stop, which is now delayed due to a law suit. There is no end in sight, the truck stop was supposed to break ground in the spring and be in operation by the end of 2015. It is hard for me to go back to the Board of Supervisors and make a recommendation when we are no longer guaranteed that revenue. You had an operational budget of \$8,066,811, you had a request to the Board of Supervisors for \$8,464,435 which is almost \$400,000 above last years' budget. My recommendation to the board of Supervisors is \$8,244,433 which is about \$177,622 more that the schools received last year. The \$177,622 takes care of the salary and health insurance increase. We have defunded as many project as possible to be able to provide this money to the schools without going into our reserve. I know that there is some request in your budget for facilities upgrade and technology upgrades and I welcome to work with your new Superintendent. Maybe there are some partnerships with the county where we could help in looking at some savings.

Gerry Schepers I wanted to state that I view the last several years running that much in debt as a crime. I have viewed this as a terrible situation. This board is not those boards. If you look at what you are proposing, we are apart \$220,000. The two big differences are the buses and maintenance.

Randy Johnson asked is the state mandated to get rid of buses at the end of 15 years?  
Back when I drove a bus 20 years ago we use to buy buses from other counties.

Gerry Schepers stated that the state has made a ruling that a bus ages out at 15 years, then essentially this effects the premium of the insurance for the buses.

Eric Workman stated the \$20,000 for School Resource Officer is now being ran through the Sheriff's office budget. There will be two School Resource Officers. So this brings the difference down to \$200,000.

Gerry Schepers stated, we wanted to take that \$20,000 and put cameras in the schools. We have brought in another individual because we were having security and discipline issues. That is not intended to be a long term position. So we would like to take that \$20,000 and put cameras in the schools.

Eric Workman asked how can we work together, there might be some ways that we can work together to get a better internet service at a lower cost, same with technology you have approximately \$125,000 budgeted, but we purchase technology at a government rate that may be able to be used to lower cost for the schools as well.

Gerry Schepers stated, I agree we will be able to work together on some of these issue that could save money we have been pushing that the school have a technology strategy. We have a lot of different equipment that is not being used correctly. We are willing to work to bring down the cost. We cannot take the bus out of the budget, but maybe we can work together to bring down cost elsewhere.

**Patrick White** – Requesting \$750.00 in travel due to the state requirement of continue education. He will also be attending a DUI education program in May. \$100.00 office supplies and subscription. \$1,500 for a ECIC/VSIN Terminal to request criminal back history. Also a dedicated line for about \$200 and a yearly maintenance fee of \$400.00 to \$450.00.

Randy Johnson asks about using the Counties vehicle when traveling.

Eric Workman stated that the Commonwealth Attorney travels on special cases.

Eric Workman stated that the ECIC/VSIN in the sheriff's department also needed upgrading and that these might be able to be purchased out of courthouse security funds.

**Crystal Crigger, WCC** – Requesting \$8,961.76 for the upcoming academic 154 students from Bland County 61 students in dual enrollment, career coach in the school. We had 38 students in the fall and 32 students in the spring using the Foundation scholarship. Thank you all for your past support.

Eric Workman stated that recommendation is to fully fund WCC as we have in the past.

**John Goins** – Thanked the Board of Supervisors for the hard work on the budget. He would like to ask for his part time position to be restored to full time. If not possible could her hours be increased from 24 to 28 hours.

Eric Workman stated that his recommendation be that the staff remain the same.

Eric Workman welcomed Ms. Dunn as the E911 Coordinator.

#### RECESS

\*\*\*\*\*MOTION to recess was made by Randy Johnson and seconded by Nick Asbury.

Vote passed unanimously

#### RETURN FROM RECESS

\*\*\*\*\*MOTION to return from recess was made by Adam Kidd and seconded by Randy Johnson.

Vote passed unanimously.

#### SCHOOL BOARD CATEGORIZED BUDGET

\*\*\*\*\*MOTION that any funding that is above state mandated be categorized in the county budget then be released to the school system when all criteria is met by the school system according to the Code of Virginia was made by Nick Asbury and seconded by Adam Kidd.

Eric Workman stated that he needed to make sure he understood the motion. Mr. Asbury repeated the motion. It will be very hard to differentiate between mandated. If you want to do the categorized budget my recommendation is that you do the entire school board budget. If categorized budget is what you want to do, then I think you need to do the entire budget.

Paul Cassell stated that it is not done as a partial budget in the Code of Virginia. Not telling you can't do it, but this is not what is contemplated in the code.

Vote on this motion was as follows: Nick Asbury, no; Adam Kidd, no; Randy Johnson, no; and Karen Hodock, no. The motion failed.

#### SCHOOL BOARD CATEGORIZED BUDGET

\*\*\*\*\*MOTION to direct staff to correspond with the school board that the FY16/17 school board budget be categorized in accordance to § 22.1-115 of the code of Virginia. was made by Nick Asbury and seconded by Adam Kidd.

Vote on this motion was as follows: Nick Asbury, yes; Adam Kidd, yes; Randy Johnson, yes; and Karen Hodock, yes. The motion passed.

Eric Workman stated that he needed direction from the Board of Supervisors concerning advertising the budget in the newspaper. This is not approving the budget; this is just advertising for public hearing as presented tonight or as amended. We would also have to amend the proposed budget as well to include a time to come back together to review the categorized budget from the school board.

Gerry Schepers wanted to make the Board of Supervisors aware that there are 11 accounts and that each of these accounts have to be utilized according to their requirements so that the school gets its money back from those 11 accounts. With 47 funds that have to be balanced. Just so you know the complexity of what you are doing.

Adam Kidd asked what other localities do?

Eric Workman stated that Tazewell, Wythe are using a categorized budget and Giles county is getting ready to do the same. It is very common throughout the Commonwealth that categorized budgets are being used. We will also work with financial consultant Mr. Garcia to help with this transition.

Randy Johnson wants to make sure that \$100,000 are marked to fix the restrooms.

#### BUDGET CALENDAR

\*\*\*\*\*MOTION to amend the budget calendar to include a meeting for April 21, 2016 at 5:00 pm in the courtroom was made by Adam Kidd and seconded Nick Asbury.

Vote on this motion was as follows: Adam Kidd, yes; Nick Asbury, yes; Randy Johnson, yes; and Karen Hodock, yes. The motion passed.

#### CONTINUE

\*\*\*\*\* MOTION to continue this meeting until April 21, 2016 was made by Randy Johnson and seconded by Nick Asbury.

Vote passed unanimously

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Karen Hodock, Chairman

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Eric Workman, Clerk of the Board