

VIRGINIA: A CONTINUED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE COUNTY GOVERNMENT CENTER ON APRIL 18, 2013 AT 7:00P.M.

PRESENT: SUPERVISOR JOHN M. SEWARD, CHAIRPERSON
SUPERVISOR ERNEST L. BLOUNT, VICE-CHAIR
SUPERVISOR JUDY S. LYTTLE
SUPERVISOR KENNETH R. HOLMES

ABSENT: SUPERVISOR GIRON R. WOODEN, SR.

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MS. TERRI E. HALE, DIRECTOR OF FINANCE

CALL TO ORDER

The meeting was called to order by Chairman Seward.

CONSOLIDATED FY 13-14 BUDGET WORK SESSION

Mr. Franklin reported on feedback obtained from Board members prior to the work session stating that Supervisor Lyttle had expressed questions regarding tax rates for logging equipment and funding for outside agencies; and Supervisor Blount had questions regarding the School System funding request.

Ms. Hale addressed the Board reviewing budget activity to present beginning with the meeting of the Fiscal Affairs Committee of the Board in February 2013 and recommendations from that meeting. She further reviewed specifics of the \$45,202,035 proposed budget and addressed questions from the Board. Discussion topics included increases for general government employees, increases in employee health insurance premiums, the Social Services funding request, PPTRA ratio, School Board Budget, funding for a School Resource Officer, planned Capital Improvements, and whether or not a General Reassessment should be considered for 2014. *(Materials associated with Ms. Hale's presentation are attached as an integral component of these minutes.)*

Following the budget discussion, Chairman Seward provided Board members with an update regarding his attendance at the Hampton Roads Planning District Commission meeting earlier that day and the potential effect of the Transportation Bill on Surry County and its residents.

Mr. Franklin informed the Board of the County's response to questions regarding the government website and the transparency of information provided there.

ADJOURNMENT

Supervisor Blount made a motion to adjourn. The motion was seconded by Supervisor Lyttle. Supervisors Holmes, Wooden, Seward, Blount and Lyttle voted affirmatively.

Surry County, Virginia FY14 Proposed Budget



**PRESENTED TO THE
BOARD OF SUPERVISORS
APRIL 4, 2013**

General Fund Highlights

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- Balanced budget of \$45,202,035 with no increase in taxes, fees or use of fund balance.
- Includes a contingency of \$200,000.
- Salary increases of 3% for general government employees -- \$113,018.
- Cost to provide constitutional officers and registrar 3% salary increase - - \$12,116.
- Increase in health insurance premiums of 5.4%, to be paid by the employee.
- Cost of reassessment and Board of Equalization included at \$128,326 and \$6,604, respectively.
- Reduced current real estate revenue by approximately 5%, or \$491,159, in anticipation of decreased reassessment values.
- Increase in adult incarceration of \$131,093 to \$277,334, based on usage.
- Excluding adult incarceration, total funding to outside agencies increased by only .71%, or \$5,789.

General Fund Highlights, Continued

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- Public service corporation taxes reduced by \$503,455 based on Department of Taxation estimates.
- Reduced PPTR rate from 55% to 50% in 2012, but it should be reduced again in 2013.
- School Fund local share level-funded at \$11,694,114, including the cafeteria fund. (FY14 local share request = \$12,786,997, an increase of \$1,092,883 or 9.3%.)
- VPA local share level-funded at \$748,906. (FY14 local share request = \$868,966, an increase of \$120,060 or 16.0%.)
- No new full- or part-time positions; vacant positions are included
- Two sheriff's vehicles are included at \$54,000; his request for an additional local deputy is not included.
- Increased CSA local share by \$37,500 because of potential residential placement.

General Fund, Proposed Local Revenues

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Revenue Type	FY13 Projected	FY14 Budget	\$ Change	% Change
Property Taxes	\$ 20,810,632	\$ 19,929,220	\$ -881,412	-4.2%
Other Local Taxes	901,520	911,117	9,597	1.1%
Permits, Licenses	42,816	42,500	-316	-.7%
Fines & Forfeitures	30,000	25,000	-5,000	-16.7%
Use of \$ & Property	90,391	89,126	-1,255	-1.4%
Charges for Services	131,322	125,000	-1,800	-1.4%
Misc. Revenue	30,547	3,500	-27,047	-88.5%
Recovered Costs	9,405	630	-8,775	-93.3%
Total Local Revenue	\$ 22,044,601	\$ 21,126,093	\$ -918,508	-4.2%

General Fund

Proposed Intergovernmental Revenues

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Revenue Type	FY13 Projected	FY14 Budget	\$ Change	% Change
State:				
Non-Categorical Aid	\$ 771,596	\$ 763,001	\$ -8,595	-1.1%
Shared Expenses	777,856	794,526	16,670	2.1%
Categorical Aid	138,819	159,038	20,218	14.6%
Total State Revenue	\$ 1,688,271	\$ 1,716,564	\$ 28,293	1.7%
Federal:				
Categorical Aid	\$ 72,452	\$ 72,035	\$ -417	-0.6%
Total State/Federal Revenue:	\$ 1,760,723	\$ 1,788,599	\$ 27,876	1.6%

General Fund, Proposed Expenditures

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Function	FY13 Budget	FY14 Budget	\$ Change	% Change
Legislative	\$ 304,535	\$ 276,543	\$ -27,992	-9.2%
Administration	1,345,465	1,530,741	185,276	13.8%
Judicial Administration	420,311	424,990	4,679	1.1%
Public Safety	2,889,108	3,204,729	315,621	10.9%
Public Works	1,142,998	1,153,253	10,255	.9%
Other Agencies	601,581	619,256	17,675	2.9%
Recreation & Cultural	517,951	529,349	11,398	2.2%
Comm. Development	468,249	495,400	27,151	5.8%
Trans to Other Funds	14,457,139	14,518,233	61,094	.4%
General Fund Total	\$ 22,147,337	\$ 22,752,494	\$ 605,157	2.7%

FY14 Proposed Expenditures, Other Funds

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Fund Type/Name	FY13 Budget	FY14 Budget	\$ Change	% Change
General:				
Debt Service Fund 700	\$ 1,625,083	\$ 1,615,213	\$ -9,870	-.6%
Special Revenue:				
VPA Fund 201	1,853,266	1,840,494	-12,772	-.7%
CSA Fund 204	134,754	106,716	-28,038	-20.8%
School Fund 205	15,191,874	15,128,007	-63,867	-.4%
Cafeteria Fund 207	601,409	601,409	0	0
IPR Fund 400	13,908	13,415	-493	-3.5%
Econ Development F601	80,000	80,000	0	0
Capital:				
Capital Fund 200	2,185,000	2,665,000	480,000	22.0%
Enterprise:				
Utilities Fund 800	315,416	327,870	12,454	3.9%
Fiduciary:				
Special Welfare Fund 350	35,029	37,431	2,402	6.9%
Agency on Aging Fund 390	\$ 37,951	\$ 33,986	\$ -3,965	-10.4%

What Does This Mean for the Fund Balance?

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- FY12 General Fund balance = \$11,379,601
- Auditors recommend a fund balance equal to 20% of the total budget. For the FY14 proposed budget, this would be \$8,672,332. BUT—given the potential volatility of public service corporation taxes, the financial advisor recommends at least \$1,000,000 in addition to this.
- Current fund balance policy permits spending only up to 25% of governmental fund expenditures (less any capital expenditures funded with bond proceeds). In the FY12 CAFR this amount was \$5,591,064, almost half the current fund balance.
- The total current year fund balance is expected to increase by over \$1,000,000, primarily due to increased assessments on public service corporation properties. BUT—Department of Taxation estimates for FY14 show a 4.3%, or over \$500,000 decrease in public service corporation revenues. Final values will not be received until September.
- This anticipated increase in fund balance can finance the local portion of the FY14 CIP, currently being reviewed by the planning commission.