

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Adjourned Meeting
March 26, 2013

6:00 p.m.

Meeting Convened. An Adjourned Meeting of the York County Board of Supervisors was called to order at 6:02 p.m., Tuesday, March 26, 2013, in the East Room, York Hall, by Chairman Walter C. Zaremba.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zaremba, Sheila S. Noll, George S. Hrichak, and Thomas G. Shepperd, Jr.

Donald E. Wiggins was absent.

Also in attendance were James O. McReynolds, County Administrator; J. Mark Carter, Assistant County Administrator; and James E. Barnett, County Attorney.

WORK SESSION

PROPOSED FISCAL YEAR 2014 BUDGET

Mr. McReynolds started the presentation by talking about the budget process, noting there was a video on the website that explained the process more fully. He noted the budget process was a continuous cycle, beginning with the establishment of guidelines by the Board of Supervisors. The County Administrator then holds the Budget Call, informing staff of guidelines to be followed in developing and fully justifying department/agency budget requests. Once the department/agency budgets were received, the Budget and Financial Reporting staff reviewed each one to insure compliance with the guidelines and to bring the requests in line with projected revenues which were projected independently. Following the Board's deliberations and adoption of the proposed budget, staff continuously monitors the funds, and the process begins again. He reviewed the highlights of the proposed FY2014 Budget, which include:

- Compliance with all Board directives
- Balanced as required by law
- School Operations funded at \$51.2 million, an increase of \$2.3 million over FY2013
- School Capital and Debt funded at \$7.8 million, remaining the same as FY2013
- Non-Education funded at \$72.2 million, an increase of \$1.7 million over FY2013

Mr. Hrichak asked if the School Board was asking for additional funds.

Mr. McReynolds stated the School Board asked for another \$2.9 million which included an additional \$600,000 to pay its employees the incremental costs associated with the phase-in of the VRS contribution. He noted he did not include the \$600,000 in the proposed budget because the County did not provide the incremental cost for County employees.

Mrs. Sharon Day, Controller, reviewed the expenditure issues in the General Fund by function and in dollars, showing an increase of \$4 million over the FY2013 budget.

Chairman Zaremba asked what was driving the increases.

Mrs. Day indicated \$1.3 million included employee compensation, health insurance, and funding for the Patient Protection and Affordable Care Act (PPACA). She noted the biggest driver for Public Safety was shelter services for animals.

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Mr. McReynolds stated that for the School Division, the \$2.3 million also included the employer share of the 4 percent remaining mandated shift to the VRS.

Discussion followed on the School Superintendent's proposed budget regarding personnel and the State's share of the teachers' pay increase.

Mr. McReynolds explained that in order to receive the State's share of funding for employee raises, the locality had to provide a 2 percent raise in its budget. Constitutional Officers were allowed up to 3 percent. He stated the County would get some funding from the State for the Constitutional Officers, and the County cost for the 2 percent was \$725,000. Cost for the School Division was \$1.5 million.

Chairman Zaremba noted the real driver from the school side was not the pay issue but the health costs. He asked how the account was reconciled at the end of the year.

Mr. McReynolds stated there was a close-out procedure, and staff monitored the reserves.

Mr. Shepperd indicated the School Board asked for a 2 percent raise for its employees, 4 percent for VRS catch up, and a 1 percent hold harmless. He asked the difference in the 1 percent versus the 4 percent, and he asked if the School Board was just trying to solve the entire problem now.

Mr. McReynolds noted the phase in was about \$150,000 a year, or \$600,000 for the remaining 4 percent.

Mr. Shepperd noted the School Board had the option of asking for all of it last year, and it did not. He questioned whether or not the Board should provide the 1 percent for the next four years as opted by the School Board, or pay the remaining 4 percent now.

Mr. McReynolds noted that the School Division also was picking up the employee share of the health insurance increase, whereas the County planned to pass down the employee share of health insurance increase to the employee.

Mrs. Noll asked what the differences were in the health insurance plans for the County and the School Division.

Mr. McReynolds indicated the School Division had a larger benefit than the County.

Chairman Zaremba noted this would be a subject for a future work session.

Mrs. Noll stated all the employees should be treated the same way, and the Board would not see that until it was discussed.

Mr. McReynolds stated this topic would be discussed on April 9. He stated staff would do a comparison of the two plans.

Mrs. Day then reviewed the major General Fund expenditure changes from FY2013 to FY2014.

Mr. Shepperd spoke of the PPACA, stating it was his understanding there was a delay in the administration of this act and that some of it would not take place until 2015.

Mrs. Day stated that was correct. She stated the start date was shifted by 6 months, and July 1, 2014, was the new date.

Chairman Zaremba indicated he had heard from employees that a 2 percent raise would not get them very far. He asked what it would cost for a 5 percent pay raise.

Mr. McReynolds stated it would cost about \$1.6 million.

Discussion followed on the increase in contractual services with the bulk of the increase being for the regional radio system for emergency services.

Mr. McReynolds then briefed on the revenue side of the proposed budget, noting there was a projected increase of 3.4 percent or \$3.7 million, which came mostly from real estate and personal property taxes.

Mrs. Noll asked for the breakdown of property taxes versus business taxes.

Mr. McReynolds stated staff would provide that information to the Board. He continued his review of revenue with other local taxes, permits/fees/fines, use of money and property, charges for services, and fiscal agent fees and miscellaneous.

Mr. Shepperd stated that every year the Board has to dance around with the real estate tax, and he asked what other revenue options the Board had.

Mr. McReynolds indicated there were limited revenue options for the County due to Virginia being under the Dillon Rule. He stated the only two untapped available sources at present were a stormwater fee and a utility tax. He continued with a review of state and federal revenue, noting that local aid to commonwealth had been eliminated.

Discussion followed on designated funding from the meals and lodging tax for tourism.

Chairman Zaremba stated the logic behind the decision years ago to designate some of the lodging and meals tax was to support tourism, a major revenue source for the County.

Mrs. Noll stated she would like to revisit the Board's position to perhaps see some of the meals and lodging money go to the General Fund or schools.

Chairman Zaremba indicated the Board could ask Mr. McReynolds to place this topic on a work session agenda, providing the history of the meals and lodging tax so the Board would know where it had been and where it was now, and the associated costs.

Mr. Shepperd asked if James City County had a charter. He indicated localities with a charter had additional taxing authority.

Mr. McReynolds stated they may have more flexibility, but they have similar requirements on meals and lodging taxes.

Mr. Shepperd asked if there was any value in York County trying to obtain a charter. He stated he was looking to take the pressure off the tax rate and put revenue requirements on some other aspect.

Mr. McReynolds stated staff would certainly look into what was required to have a charter and what it would allow the County to do. He then reviewed the two options the County currently had for additional revenue, a stormwater fee and a local utility tax.

Mrs. Noll asked if the imposition of a utility tax would require a referendum or approval by the General Assembly.

Mr. McReynolds stated it was an option the Board could implement by holding a public hearing and establishing an ordinance to do it.

Mrs. Day reviewed the additional information available on the County's website regarding the proposed budget and important upcoming budget dates.

Mr. McReynolds stated staff now needed the Board's guidance regarding topics for its remaining work sessions. He stated the health care review was scheduled for April 9. Other topics the Board would want to consider included employee compensation, mandates, payments to outside agencies, and the Capital Improvements Program.

Mrs. Noll stated the Board needed to review mandates. She stated it was important for the citizens to know how little control the Board had over the money.

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Mr. Hrichak stated he would like to see how the County could accomplish this budget without a tax rate increase.

Mr. Shepperd stated he would like to see a list that would neutralize the tax rate and have more discussion on each individual category.

Chairman Zaremba asked staff to look how a 5 percent pay increase could be accomplished. He stated he felt the Board owed it to the employees to at least address it.

Mr. Shepperd stated he realized the proposed budget meets all legal requirements, but unless one was in and out of it almost daily, it was difficult to navigate. He indicated there had to be a way the budget could be functionally usable. He stated he had a team of people who had been working with him on this budget, and it was very frustrating for them. Mr. Shepperd stated he felt staff needed to find a way of creating a digestible version of the budget.

Mr. Hrichak stated he had received lots of feedback on the proposed tax increase, and it was not going over very well. He agreed that the Board needed to be proactive in petitioning its state legislators for help.

OPEN DISCUSSION

Mrs. Noll noted that Workforce Development recently conducted a youth employment day, and about 22 schools showed up. She stated the information was very enlightening, and the youth were very enthusiastic. She stated she was impressed with the businesses that contributed interviewers and money to set the program up. Mrs. Noll commended the Chambers of Commerce and business associations that reached out to the young people to educate them on the workforce needs in the area.

Chairman Zaremba stated this was a proposed budget, and the Board could not emphasize that enough. The School Board approved its budget last evening, and bills from this session of the General Assembly had been submitted to the Governor and sent back today to the General Assembly with his suggested changes. He indicated he had talked with Delegate Helsel's office today, and the message was that the state budget was still very soft. Mr. Zaremba noted York County had a School Division that had already approved its budget, yet it still did not know if what it had calculated was locked in concrete. He stated one of the reasons the Board of Supervisors moved its budget adoption target to the first week in May was so that the Board did not wind up adopting the budget and then later finding out the state provided the School Board with more money.

Mr. Hrichak noted he had contacted the candidate for appointment to the Colonial Community Criminal Justice Board as was tentatively approved at the Board's March 19 meeting. He stated Mr. Steven Reandeu had indicated his willingness to serve; therefore, the Board could make the appointment official.

Thereupon, the tentative adoption on March 19, 2013, of proposed Resolution R13-21 was confirmed, and the resolution reads as follows:

A RESOLUTION TO APPOINT A MEMBER TO THE COLONIAL COMMUNITY CRIMINAL JUSTICE BOARD

WHEREAS, the term of Alex Wallace as a York County representative to the Colonial Community Criminal Justice Board expires on March 31, 2013; and

WHEREAS, Mr. Wallace does not wish to seek reappointment;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this 19th day of March, 2013, that Steven Reandeu be, and is hereby, appointed to the Colonial Community Criminal Justice Board for a term of three years, such term to begin April 1, 2013, and expire March 31, 2016.

CLOSED MEETING. At 7:22 p.m. Mr. Shepperd moved that the meeting be convened in Closed Meeting pursuant to Section 2.2-3711(a)(1) of the Code of Virginia pertaining to appointments.

On roll call the vote was:

Yea: (4) Noll, Hrichak, Shepperd, Zaremba
Nay: (0)

Meeting Reconvened. At 7:40 p.m. the meeting was reconvened in open session by order of the Chair.

Mrs. Noll moved the adoption of proposed Resolution SR-1 that reads:

A RESOLUTION TO CERTIFY COMPLIANCE WITH THE FREE-
DOM OF INFORMATION ACT REGARDING MEETING IN CLOSED
MEETING

WHEREAS, the York County Board of Supervisors has convened a 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 2.2-3711.1 of the Code of Virginia requires a certification by the York County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED by the York County Board of Supervisors this the 26th day of March, 2013, hereby certifies that, to the best of each member's knowledge, (1) 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 (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the York County Board of Supervisors.

On roll call the vote was:

Yea: (4) Hrichak, Shepperd, Noll, Zaremba
Nay: (0)

APPOINTMENT OF COUNTY ASSESSOR

Mr. Hrichak moved the adoption of proposed Resolution R13-37 that reads:

A RESOLUTION TO APPOINT A COUNTY ASSESSOR FOR THE
COUNTY OF YORK, VIRGINIA

BE IT RESOLVED by the York County Board of Supervisors this the 26th day of March, 2013, that Tim Lamb be, and he is hereby, appointed to the position of County Assessor for York County, which appointment shall become effective on March 26, 2013.

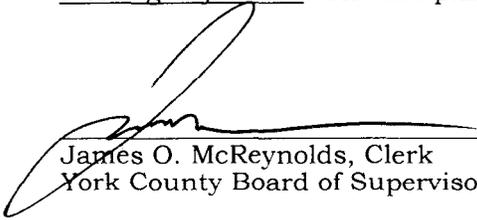
BE IT FURTHER RESOLVED that before entering upon the duties of County Assessor, Tim Lamb shall take the oath of office as set forth in Section 49-1 of the Code of Virginia (1950, as amended).

On roll call the vote was:

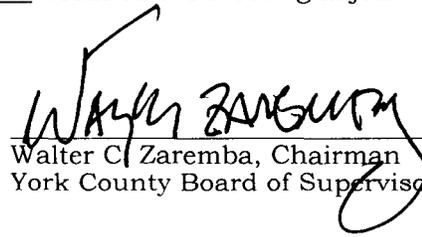
Yea: (4) Shepperd, Noll, Hrichak, Zaremba
Nay: (0)

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Meeting Adjourned. At 7:50 p.m. Chairman Zarembo declared the meeting adjourned sine die.



James O. McReynolds, Clerk
York County Board of Supervisors



Walter C. Zarembo, Chairman
York County Board of Supervisors