

**COMMITTEE MEMBERS PRESENT:**

Larry Pritchett, Treasurer
Debbie Williams, Commissioner of Revenue
Ed Petrovitch, County Administrator
Bonnie Jewell, Assistant County Administrator/Chief Financial Officer

OTHER COUNTY STAFF MEMBERS PRESENT:

Jane Reeve, Chief Information Officer
Beckie Forry, Chief Accounting Officer
Kimberly Pomatto, Zoning and Floodplain Administrator
Rich Maidenbaum, Deputy Chief Information Officer
Brad Quann, Procurement Manager
Julie Elliott, Budget Manager

SCHOOLS' STAFF MEMBERS PRESENT:

Malysa Rhodes, Finance Director
Melissa Webster, Budget Analyst

New Business:**Use of Contingency for Required but Unbudgeted Floodplain Mailings**

Kimberly Pomatto, Zoning and Floodplain Administrator, explained that the Federal Emergency Management Agency (FEMA) is updating the flood maps affecting Spotsylvania County. Some properties will be mapped into the floodplain; some properties are already in the floodplain and will remain there; and some properties will be mapped out of the floodplain. Public outreach regarding the map revisions to those impacted property owners is required and is expected to cost \$15,000. This cost was not anticipated as part of the FY 2021 Budget and is recommended for transfer from the budgeted General Fund contingency to the Planning budget to allow for the mailings to occur.

On a motion by Mr. Pritchett, seconded by Ms. Williams and passed unanimously, the Finance Committee recommended approval of the budget adjustment.

Proposed Updates to Procurement Policy

Brad Quann, Procurement Manager, reported that the County's Procurement Policy was last updated on December 11, 2018. Each year the General Assembly makes legislative changes to the Virginia Public Procurement Act (VPPA) which may or may not impact the County's Procurement Policy. Staff is proposing updates to the policy at this time to address the 2020 legislative updates and to enhance the County's procurement process.

In addition to the updates necessary to match to the VPPA changes, Mr. Quann providing highlights of the enhancements being recommended to the policy:

- Increase in formal bidding limit from \$50,000 to \$80,000;
- Increase in single quote limit from \$1,500 to \$5,000;
- Increase sum of all architectural or professional engineering service projects performed in one contract to a maximum of \$6M, up from \$5M and the maximum per task order from \$1M to \$1.5M;
- Increase Department Directors' authority from \$30,000 to \$50,000;
- Increase Purchasing Agent's signature authority from \$75,000 to \$80,000; and
- Changed 90 days to 6 months for the extension of a contract provision to align with time periods in place across the State at other localities and public agencies. When warranted and in context of the policy, will allow more time to resolve the procurement matter while avoiding a situation where the County is without access to necessary goods and services.

On a motion by Ms. Williams, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended approval of the policy updates.

Budget Adjustment to Combine IT Capital Projects

Jane Reeve, Chief Information Officers, explained that staff is requesting that funding from seven different IT-based capital projects be combined to allow the County to move to a hybrid offsite cloud solution. This initiative enhances the County's security posture against cybersecurity attacks; enhances remote telework capabilities; and develops greater redundancy to ensure disaster recovery and business continuity of systems and data. Additionally, this project has the added benefit of reduced electricity and maintenance costs compared to existing systems.

Smaller phases of this more complete project were built into these various seven capital projects under an initial plan for incremental buildout/buildup to the hybrid offsite cloud solution. However, based on the bids received for this initiative, there is opportunity now to implement the full build-out at a cost that can be accomplished by pulling together the funding that had been budgeted originally for the beginning phases of an incremental approach. This initiative makes use of existing funding, so there is no request here for additional funds. Instead, this request is to combine existing funding from certain other technology capital projects into one new project to accomplish purchase and implementation of a hybrid cloud solution.

On a motion by Ms. Williams, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended approval of the budget adjustment.

Schools' FY 2020 Operational Carryover Request

Malysa Rhodes, Finance Director for the Schools, explained that based on the FY 2020 audit results, the Schools' budgeted, but unexpended local transfer for operations is \$5,490,388; 1.85% of the total School Operating Fund budget. Each month, State and other revenues are applied to Schools' expenditures first, and then a transfer of local funding for operations is made to balance revenue and expenditures for the month. What remains available at year's end is local funding.

At its meeting on November 16, the School Board approved the one-time FY 2020 operating carryover funds to be used for the purposes summarized below. The School Board requests that the Board of Supervisors approves the attached budget amendment and appropriation to carryover the \$5,490,388 in unexpended local funding for operations.

Area	Amount	Summary Description
Other Post-Employment Benefits (OPEB)	\$1,040,211	OPEB trust fund contribution
Classroom Teaching and Learning Materials and Support	\$1,037,888	Textbooks, software licenses, student enrichment opportunities, classroom supply district initiative, additional school-based allocations
Staff Bonus	\$3,412,289	\$900 staff bonus
Total	\$5,490,388	

Ms. Rhodes reported that approximately \$2.1 million of the \$5.5 million carryover stems from funding that was carried forward from FY 2019's budget, but which intentionally went unspent when in the spring the County Administrator asked for the Superintendent's help in being conservative after the onset of the pandemic.

On a motion by Mr. Petrovitch, seconded by Mr. Pritchett, the Finance Committee unanimously recommended approval of the budget adjustment and associated appropriations.

Other Business:

CY 2021 Finance Committee Calendar

Ms. Jewell noted that the Finance Committee meeting dates and deadlines for calendar year 2020 were included in the agenda packet for this Finance Committee meeting. She said that this calendar was drafted with the Board of Supervisors typical meeting schedule in mind, and that if the Board's meeting schedule is modified during the course of the year, there may be need to modify the Finance Committee's meeting dates, as well. Ms. Jewell will keep the Finance Committee members informed if that should occur at any point during the year.

Adjournment:

Ms. Jewell adjourned the meeting.