

**COMMITTEE MEMBERS PRESENT:**

David Ross, Board Member
Paul Trampe, Board Member
Larry Pritchett, Treasurer
Mark Cole, Deputy County Administrator
Mary Sorrell, Finance Director

OTHER STAFF MEMBERS PRESENT:

Bonnie Jewell, Budget Manager
Annette D'Alessandro, Grants Manager
Brad Quann, Procurement Manager
LaShahn Gaines, CFO Spotsylvania Schools
Jennifer Belako, Director of Elementary Education SCPS
Carol Flenard, Assistant Superintendent of Instruction SCPS
Keith Wolfe, Executive Director of Secondary Education & Leadership SCPS
Phil Trayer, Director of Finance Spotsylvania Schools
Brian Barnes, Recreation Manager
Clara Mills, P&R Program Assistant
Holly Dove, Budget Analyst
Roger Harris II, Captain Sheriff's Office
Jay Cullinan, Fire Chief
Kathy Settle, Victim Witness Director
Lisa Phelps, Spotsylvania School Board Member

Schools' FY 2018 Carryover Request

LaShahn Gaines, CFO Spotsylvania Schools, explained that based on the FY 2018 audit results, the Schools' budgeted but unexpended local transfer is \$3,877,402 as of June 30, 2018. This local amount remains because expenditures were less than budget in several categories some of which was due to staff turnover. There were also several revenues that exceeded projections, including State revenues, which exceeded projections by \$1.4 million and Other revenues, which exceeded projections by \$294,639. She noted that the carryover amount represents 1.4% of the total School Operating Fund.

The School Board would like the Board of Supervisor's approval to carryover this unexpended local funding to FY 2019 for the following purchases:

FY 2018 CARRYOVER APPROVED BY SCHOOL BOARD		
Description of Purchases	Amount	Budget Category
CGS Instructional supplemental supplies and technology maintenance and upgrades from State Funds	\$ 2,039	Instruction
PowerSchool Software for Student Instruction	\$ 250,000	Instruction
Professional Learning (for example - standards-based rubrics, LLE, IB, PBIS,)	\$ 103,630	Instruction
School Based Allocations (\$12.50 per student)	\$ 296,775	Instruction
High School Testing Support	\$ 130,000	Instruction
Summer Regional Governors School (SRGS), Fredericksburg Regional Governors School (FRGS) Needs	\$ 25,000	Instruction
One-time Classroom Materials and Supplies for Teachers	\$ 250,000	Instruction
One-time Tuition Reimbursement for Staff	\$ 500,000	Instruction
Curriculum Resources (ex: K-5 Science Textbook Adoption Series, Performing Arts, Journalism resources, iLit)	\$ 1,416,000	Instruction
Other Post Employment Benefit Trust Fund Contribution	\$ 429,319	Instruction
Public information/Print Shop - Replacement of Print Shop Equipment (Delivery, Installation, Operator Training)	\$ 20,000	Administration
Human Resources - Professional Development, Supplies and Recruiting Expenses	\$ 10,000	Administration
High School Transportation Supplemental Line	\$ 50,000	Transportation
Student and Teacher Furniture for School Sites	\$ 100,000	Maintenance
Technology Purchases (Erate Grant Reimbursement Funds Appropriated in June 2018)	\$ 294,639	Technology
GRAND TOTAL	\$ 3,877,402	

Ms. Gaines noted that the carryover funding would be used in FY 2019 to enhance student success by addressing classroom and teacher needs.

Ms. Gaines explained that the additional State revenue that was received in FY 2018 was due to an increase in student population beyond the level projected by staff. Ms. Gaines noted that based on October school population they anticipate that the FY 2019 student population might be less than estimated, generating a reduction of State revenue below projections in FY 2019. Mr. Cole asked if the Schools were setting aside budgeted funding in FY 2019 to address those potential State revenue shortfalls. Ms. Gaines stated that she was planning for that potential shortfall.

There was conversation about how the one-time tuition reimbursement would be handled and to which staff it would be offered. Ms. Gaines stated that it would be offered to all on a first come, first served basis and that this funding would be beneficial to address retention issues. She noted that that was a teacher shortage in Virginia and in Spotsylvania County. Mr. Ross asked how many teacher vacancies existed and Ms. Gaines responded that there were currently 10 unfilled teacher positions.

On a motion by Mr. Pritchett, seconded by Mr. Ross and passed unanimously, the Finance Committee recommended submitting the requested budget amendment and the associated appropriation to the Board of Supervisors for their consideration at the upcoming Joint Work session planned for November 27, 2018.

Budget Adjustment and Appropriation Shifting Schools' Debt Service Savings to Schools' Capital Projects Fund

Bonnie Jewell, Budget Manager, explained that the Schools' Finance staff recently approached County Finance staff to alert them that they may need to start a few FY 2020 capital projects in the Spring of 2019 in order to complete them in time for school opening in August 2019. They indicated they will likely need approximately \$2.0 million fronted to them from their FY 2020 Capital Projects Fund budget to accomplish these projects in a timely manner.

Due to an atypical turn of events, this need can be met through reallocation of local funds within the Schools' existing FY 2019 Budget. Typically, when we issue bonds, we have a principal and an interest payment in the first fiscal year following issuance. However, the 2018 bonds were established in such a way to include only an interest payment in FY 2019, with the first principal payment due in July (FY 2020). This causes there to be \$2.6 million in excess funding budgeted for Schools' debt service in FY 2019.

Ms. Jewell explained that Finance staff is recommending reallocation of that excess funding in the Schools' debt service budget to the School Capital Projects fund providing the Schools with one-time cash funding to address the capital needs they need to complete this Spring and reducing the Schools FY 2020 CIP by \$2.6 million, which reduces the amount of funding that needs to be borrowed for School projects next summer.

On a motion by Mr. Ross, seconded by Dr. Trampe and passed unanimously, the Finance Committee recommended approval of the proposed budget amendment and associated appropriation.

Approve Proposed Updates to Procurement Policy

Brad Quann, Procurement Manager explained that the Procurement Policy was last updated on October 10, 2017. 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. Mr. Quann explained that staff is proposing several updates to our Procurement Policy that will both address 2018 legislation updates and enhance the County's current procurement process.

Mr. Quann walked through the proposed legislative changes and the proposed enhancements including staff's request to increase small dollar purchasing limits to a level that better aligns with limits used across the Commonwealth. He explained that even with the proposed increases, the County's limits will still remain well below that of surrounding localities.

Mr. Quann explained the request to increase the limit allowed for contract modifications from 10% to the VPPA allowable 25% level. There was conversation about the process used to approve these types of contract modifications and it was pointed out that the policy would increase to 25% or \$50,000 whichever is greater.

On a motion by Dr. Trampe, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended approval of the proposed updates to the Procurement Policy.

Dr. Trampe left the meeting

Acceptance and Budget Adjustment for the FY 2019 Edward Byrne Justice Assistance Grant Sub-Award, Naloxone for Law Enforcement Agencies

Captain Roger Harris II, Sheriff's Office explained the Spotsylvania County Sheriff's Office is working to prevent brain injuries and deaths as a result of overdoses. The implementation of naloxone nasal spray in the event of overdose was initiated through the FY 2017 DCJS JAG Naloxone for Law Enforcement Agencies grant award. For FY 2019 the Spotsylvania County Sheriff's Office was awarded \$5,000 in federal funds to continue the naloxone program.

There is no local match requirement and no requirement to continue to fund the program after the award expires on September 30, 2019.

On a motion by Mr. Cole, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended acceptance of the grant and approval of the associated budget amendment and appropriation

Grant Award Acceptance and Appropriation for the FFY 2018 Virginia Department of Emergency Management Homeland Security Grant Program for a Patrol Boat for Lake Anna

Captain Roger Harris II, Sheriff's Office explained that the Virginia Department of Emergency Management (VDEM) solicited competitive grant applications for federal pass-through Homeland Security Grant funds to enhance the ability of first responders to prepare, prevent, respond, and recover from terrorist attacks and other disasters. On behalf of the Sheriff's Office, the County submitted an application requesting grant funds for an upgraded patrol boat for Lake Anna.

The County's application in the amount of \$82,892 for the purchase of a 21.5' patrol boat, accessories, instrumentation, law enforcement patrol upgrade, engine, trailer, and freight, was approved. Although there is no local match requirement, the Sheriff's Office will be responsible for all costs associated with the licensing, registration, insurance, and ongoing maintenance costs. The Sheriff's Office anticipates that these costs will be minimal and can be absorbed through their FY 2019 Adopted Budget.

The new patrol boat will be highly maneuverable and will be designed to aid in the retrieval of victims, animals, and objects from the water.

On a motion by Mr. Ross, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended acceptance of the grant and approval of the associated budget amendment and appropriation.

Budget Adjustment and Appropriation of Additional FY 2019 Victim Witness Grant Funds

Kathy Settle, Victim Witness Director, explained that Spotsylvania County received \$260,253 in Victim Witness funding versus the \$255,150 that was anticipated with the adoption of the FY 2019 budget. Staff is requesting the appropriation of the additional \$5,103 to supplement the Victim Witness program budget as these funds cannot be used to supplant local funds. They wish to use the additional funding for the Victim/Witness program as follows: disability insurance for \$720, language line interpretive services for \$100, mileage for \$858, subsistence and lodging for \$512, education and training for \$1,000, memberships for \$100, and office supplies for \$1,813. There is no local match required and all funds must be expended by June 30, 2019.

There was a conversation about the number of victims/witnesses served. Ms. Settle noted that with the recent addition of staff they have been able to serve 7% of the 20,000 cases, which is up from the 2% of cases that they had previously been serving.

On a motion by Mr. Ross, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended approval of the budget amendment and associated appropriation.

Approval of Additional Non-Competitive Litter and Recycling Grant Funding

Clara Mills, P&R Program Assistant explained that Spotsylvania County receives a Non-Competitive Litter and Recycling grant each year. For FY 2019, the County received \$21,435 in funding versus the \$19,262 anticipated in the Adopted budget.

She explained that staff is requesting appropriation of the additional \$2,173 to supplement existing environmental education programs as well as add several new programs. The additional revenue will allow the department to reach larger audiences and provide additional supplemental materials to existing programs in accordance with grant requirements. Such programs and related items will include the spring community cleanup day, spring/fall roadside clean up event, nature explorers' week long environmental day camp, cops and bobbers fishing event, and school environmental awareness presentations. There is no local match required with the grant.

On a motion by Mr. Pritchett, seconded by Mr. Ross and passed unanimously, the Finance Committee recommended approval of the budget amendment and associated appropriation for the additional grant funding.

De-Appropriation of FY 2019 Funding for the Journey Through the Chesapeake Bay Environmental Camp

Holly Dove, Budget Analyst, explained that FY 2018 was the last year for the weeklong overnight Journey Through the Chesapeake Bay Environmental Camp. In the past registration fees paid by camp counselors and campers covered the weeklong camp rental fee. It was not known during the development of the FY 2019 Budget that FY

2018 would be the last year of the weeklong overnight camp and fee revenue and associated expenditures in the amount of \$19,500 were budgeted in FY 2019 for the camp.

Staff is requesting the Board's approval to de-appropriate the revenue and expenditures associated with the weeklong Journey through the Chesapeake Bay Environment Camp.

In FY 2019, a weeklong day camp will replace the overnight environmental camp. Available Non-Competitive Litter Grant funds will be used for supplies and environmental education items for the day camp.

On a motion by Mr. Pritchett, seconded by Mr. Ross and passed unanimously, the Finance Committee recommended approval of the proposed budget amendment and de-appropriation of the funding related to the weeklong Journey through the Chesapeake Bay Environmental Camp.

Reconciling the FFY 2018 Virginia Department of Emergency Management (VDEM) Emergency Management Performance Grant (EMPG) Award for the Purchase of a Communication Console for the Emergency Operations Center

Jay Cullinan, Fire Chief, explained that the Department of Fire, Rescue and Emergency Management (FREM) annually receives \$40,579 in federal pass through funds from the Emergency Management Performance Grant (EMPG). A portion of this funding, or \$18,078, is used to partially pay for the Division Chief of Emergency Management and Logistics' salary. The remaining \$22,501 is normally used for different emergency management projects. Due to the consistent dollar amount and annual nature of this funding, the revenue and expenses are normally included in the annual budget adoption process.

For FY 2019, the full \$40,579 in grant revenue was included in the Adopted Budget, but EMPG project expenditures of \$22,501 were inadvertently not included in the budget adoption process. Chief Cullinan explained that FREM anticipated utilizing the FY 2019 EMPG funds of \$22,501 to purchase a communication console for the Emergency Operations Center (EOC). This console will enhance communications for EOC Command Staff with field units.

Staff is requesting a budget amendment and appropriation to increase the FY 2019 FREM budget to reflect the \$22,501 in EMPG funding for the purchase of the EOC console. Since the EMPG award does not allow for supplanting of local funds, use of the fund balance is requested to reconcile the grant revenue and expenses.

On a motion by Mr. Ross, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended approval of the proposed budget amendment and appropriation.

Water Quality Improvement Fund Grant Application Request for the Thornburg Wastewater Treatment Plant

Annette D'Alessandro, Grants Manager explained that the Virginia Department of Environmental Quality (DEQ) provides grant funding through the Water Quality Improvement Fund (WQIF) to assist local governments in reducing point source nutrient loads to the Chesapeake Bay. The goal of this funding is "to restore and improve the quality of state waters and to protect them from impairment and destruction for the benefit of current and future citizens of the Commonwealth" (Section 10.1-2118 of the Code of Virginia).

WQIF point source grant funds are available to assist in the costs associated with the design and installation of nutrient removal technology at publicly-owned treatment plants for compliance with the effluent limitations for total nitrogen and total phosphorus as required by the tributary strategy plans or applicable regulatory requirements.

Ms. D'Alessandro explained that the Capital Improvement Plan includes \$11,000,000 for the upgrade of the Thornburg Wastewater Treatment Plant (WWTP) and that Utilities/Public Works Department staff is seeking permission to submit a WQIF grant application to DEQ for the design and installation of nutrient removal technology at the Thornburg WWTP.

Preliminary estimates indicate that the County would be eligible for approximately \$3,234,594 in WQIF funds for costs associated with the design and installation of nutrient removal technology at the Thornburg WWTP.

On a motion by Mr. Cole, seconded by Mr. Pritchett and passed unanimously, the Finance Committee recommended submitting the WQIF grant application.

Other Business:

Annette D'Alessandro explained that there was an opportunity for a potential grant application with Virginia Telecommunication Initiative (VATI) for installation of broad band. The deadline for the grant application is December 14, 2018. Ms. D'Alessandro explained that there is a local match. Staff is looking for a partner to participate with the County in the application and to fund the local match. We do not have details about the budget for this grant at this time. Because the application is due before the next Finance Committee meeting, staff may present this application directly to the Board at their December 11, 2018 meeting.

Adjournment:

Ms. Sorrell adjourned the meeting.