

**COMMITTEE MEMBERS PRESENT:**

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

**OTHER STAFF MEMBERS PRESENT:**

Bonnie Jewell, Budget Manager  
Annette D'Alessandro, Finance Department  
Ben Loveday, Utilities Director  
Major Carter Wells, Sheriff's Office  
Kevin Brooks, Director Parks and Recreation  
Debbie Aylor, Tourism Manager  
David Ansell, Building Official  
Jay Cullinan, Fire Chief  
Rich Maidenbaum, Deputy CIO  
Jane Reeve, Chief Information Officer  
Barbara Verhaalen, Budget Analyst  
Wanda Parrish, Planning Director

---

**FY 2018 DRAFT Carryover Requests (Preliminary Numbers)**

Bonnie Jewell, Budget Manager, explained that staff would be making a presentation of the County's preliminary financial position at the close of FY 2018 at the Board's upcoming meeting on October 9, 2018. She explained that as part of that presentation, staff will present a carryover request list for the Board's review and approval.

Ms. Jewell explained that departments submit requests to carry forward funding from the previous Fiscal Year (FY 2018) to the current Fiscal Year (FY 2019) at the close of each fiscal year and that those requests must meet at least one of the following criteria.

1. Obligated in FY 2018 –  
The request reflects an expenditure that was included in the FY 2018 Budget and was obligated (encumbered via a contract, purchase order, or equivalent) but not expended before the close of FY 2018.
2. Grant Funded, Restricted, Committed –  
The request reflects an expenditure that was grant funded, restricted, or committed.

Ms. Jewell noted that all requests for carryover were within the guidelines and that at this time, Budget staff is recommending that all requests be approved. She explained

that that FY 2018 expenditures and revenues are accrued through August 15 and that Finance staff is still in the process of developing the end of year report and finalizing the fund balance figures. The outcome of that report could impact staff's final decisions on which carryover requests are recommended for approval, though Finance staff does not foresee any changes from what is presented at this time.

On a motion by Mr. Ross, seconded by Mr. Pritchett and passed unanimously, the Finance Committee agreed to include the final carryover request listing in the Preliminary FY 2018 End of Year Financial Report that staff will present at the October 9, 2018 Board meeting.

### **Budget Adjustment for Purchase & Install of Holbert Building Generator**

Bonnie Jewell, Budget Manager, explained that several months ago, the Courthouse area experienced an extended power outage, and due to a failed generator, the County was unable to provide adequate delivery of technology systems to support public safety and other critical service operations. The existing generator was originally installed in 2003 and has failed on at least two occasions in the last year, despite attempts to overhaul the mechanics and electronics.

To ensure that the County is able to continue to support critical operations, and to ensure that the County's primary network operating center can remain functional at all times, a new generator has been spec'd out and ordered to replace the failing generator. Staff is requesting the Board's approval for use of \$100,000 from the Capital Projects fund balance to purchase the replacement generator.

Mr. Ross asked if the generator would power the entire Holbert Building. Jane Reeve replied that it would only power the west end of the building where the Board Room and the County's IT Operations Center is located and that because electrical service is brought to the Holbert Building at two separate locations on each side of the building, a single generator could not be used to power the entire building.

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.

**Approval of Donated Funds for Parks & Recreation Activities/Programs/Supplies for Senior Citizens**

Kevin Brooks, Director Parks and Recreation, explained that Parks & Recreation has received a donation in the amount of \$1,144 from the Silver Liners Dance Association. The Silver Liners Dance Association has requested that the donated funds be specifically used for activities/programs/supplies for senior citizens.

Mr. Brooks explained that Parks & Recreation currently offers activities/programs for senior citizens and provides supplies for multiple senior citizen programs including craft classes (paint, brushes, slate, etc.), potluck luncheons (paper products including plates, napkins, and utensils), card playing (decks of cards, a card shuffler, and bingo (bingo cards, number roller). The acceptance of the donation will provide additional supplies and enhancements for current programs, decorations for special events, banners and marketing materials to help increase the patronage of the Spotsylvania Senior Center.

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

**Budget Adjustments to Add 4 Mid-Year SROs, Fund Additional Children's Services Act (CSA) Mandated Costs, and Modify School Funding Sources**

Bonnie Jewell, Budget Manager, explained that the State budget for FY 2019 was not finalized until after both the Board of Supervisors and the School Board balanced and adopted their respective budgets. The final approved State budget included \$868,877 in additional funding for the Schools, beyond the funding the Schools assumed in their FY 2019 Adopted Budget.

To allow time to understand the financial impacts of the final State budget on School Operating Fund and the General Fund, the Board of Supervisors adopted FY 2019 appropriations that were \$1 million less than the budgets adopted for both the School Operating Fund and the General Fund.

Ms. Jewell explained that while the Schools originally presented an overview regarding their priorities for the additional funding at the August 14, 2018 joint work session, more recently, Schools staff indicated that they are seeking full appropriation of the original budget to ensure that they are made whole for the budget as it was originally adopted.

Since the adoption of the FY 2019 Budget, staff has been made aware of two issues that impact the FY 2019 Budget, a funding shortfall related to Children's Services Act (CSA), and notification that we did not receive the grant for four SRO's.

Ms. Jewell explained that there has been a steady increase in the number of children in foster care and in the number of children in the school system whose educational needs cannot be met in the public school setting, but who must be served in accordance with the Children's Services Act (CSA). As such, CSA costs in FY 2018 exceeded budgeted costs by \$1.9 million. At this time, staff anticipates the FY 2019

CSA budget for mandated services being \$1.65 million short. CSA costs are shared by the County and the State with certain reimbursement rates being in place. It is anticipated that additional revenue from the State would fund approximately \$890,000<sup>1</sup> of the added costs and the County would have a local cost share of approximately \$760,000. This would be on-going funding and such on-going funding is not available in the contingency or elsewhere within the budget without making cuts to the approved FY 2019 Budget.

Ms. Sorrell noted that while CSA is a mandated program, that County and School staff are planning to meet in the near future to discuss what if any options exist to reduce the rising costs of that program.

Ms. Jewell explained that in response to the County applying for but not receiving the grant for four SROs, the Sheriff's Office reports that the soonest it could hire and implement four additional SROs would be January 2019 and that no new vehicles would need to be purchased in FY 2019 for these four additional SROs. The mid-year cost of hiring and equipping four SROs is \$188,000. The FY 2019 Budget set aside \$191,265 to be the local match for the SRO grant for which the County applied. This funding could be used to fund the \$188,000 cost of four mid-year SROs, which would put an SRO in every County School.

Ms. Jewell explained that in order to meet the varying needs identified, staff recommends that the Board takes the following actions:

1. Appropriate the full \$868,877 in State funding to the Schools.
2. Appropriate \$131,123 of the original \$1 million in local funding that was withheld from initial appropriations. The combination of item #1 and this item #2 totals \$1 million in appropriations to the Schools and makes the Schools whole for the budget as original adopted.
3. This "frees" \$868,877 in local funding for the County's use on the \$760,000 needed for CSA costs and to meet other local needs that may arise as FY 2019 progresses.
4. From the \$191,265 included in the adopted General Fund budget as a local match for the SRO grant applied for but not received, allocate \$188,000 for hiring and equipping four mid-year SROs. Additional funding to cover the full year costs of these four positions will need to be included in the FY 2020 base budget.
5. Appropriate the original \$1 million withheld from the General Fund.

On a motion by Mr. Cole, seconded by Mr. Ross and passed 4-1 with Dr. Trampe voting no, the Finance Committee recommended approval of the recommended budget amendment and the associated appropriations.

---

<sup>1</sup> Though the amounts are similar, this is a different source of State revenue than the \$868,677 referenced above for Schools.

### **Budget Adjustment for Actual Costs of 2nd Year Comp Study & Longevity Implementation**

Bonnie Jewell, Budget Manager, explained that the actual costs related to the second year of the compensation study and the longevity increases exceeded budgeted amounts by \$267,076 across all funds.

<b>Total Budget Impact – By Fund</b>	
General Fund	\$205,746
Code Compliance	\$18,728
Transportation	\$1,698
Capital Projects	\$298
Utilities Operating	\$40,606
<b>Total</b>	<b>\$267,076</b>

All funds other than the General Fund can absorb these added costs via use of the fund balance for each respective fund. Staff recommends two adjustments within the General Fund to solve for the \$205,746 in net added costs of the comp study and longevity adjustments:

- The FY 2019 Budget, as adopted, included \$105,000 in the General Fund for purchase of three vehicles for the added SROs. Since vehicle purchases were shifted to the Capital Projects Fund several years ago, Budget staff requested and the Board approved earlier in FY 2019 a budget adjustment to fund this \$105,000 in the Capital Projects Fund instead of in the General Fund. This leaves the \$105,000 to be removed from the General Fund. Staff recommends that the \$105,000 in the General Fund be used towards the longevity adjustments.
- The FY 2019 Budget assumed a principal payment on the bonds issued in Summer 2018 would occur in the first year (FY 2019), as is Spotsylvania's typical practice. However, the bonds ended up being established in such a way as the first principal payment will occur in FY 2020, instead. This saves \$112,664 in General Fund debt service in FY 2019. Staff recommends that \$100,746 of this \$112,664 be used towards the longevity with the balance (\$11,918) offset by a decrease in the use of General Fund balance.

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

### **Grant Award Acceptance and Appropriation for FFY 2017 Staffing for Adequate Fire and Emergency Response (SAFER)**

Jay Cullinan, Fire Chief, explained that the Department of Fire, Rescue, and Emergency Management (FREM) was notified on September 7, 2018 that its SAFER grant application in the amount of \$1,149,277 had been approved to hire 10 additional Firefighter 24/7

positions. SAFER will provide up to three years of funding to cover the salary and fringe benefits associated with the hiring of firefighters. Grant recipients are required to contribute non-federal funds subject to a position cost limit and/or a cost share limit. For the position cost limit, the amount of federal funding is limited to:

- in the first and second years of the grant, 75% percent of the usual annual costs of the locality's first-year firefighter at the time the grant application was submitted; and
- in the third year of the grant, 35% of the usual annual costs of the locality's first-year firefighter at the time the grant application was submitted.

In addition to the local cost share for personnel, the locality must pay for any operational costs associated with hiring new positions to include physicals, uniforms, training, personal protective equipment, and overtime (except overtime costs routinely paid as a part of the base salary or the firefighter's regularly scheduled and contracted shift hours in order to comply with the Fair Labor Standards Act).

The locality does not have to commit to retaining these positions beyond the three year grant period. However, no firefighter layoffs are permitted, of either SAFER funded or non-SAFER firefighters during the grant's period of performance. Additionally, operational staffing levels at the time of the award must be maintained throughout the grant's period of performance. The period of performance is anticipated to be January 28, 2019 to January 27, 2022.

Chief Cullinan explained that FREM anticipates that the 10 additional Firefighter 24/7 positions will combine with current staff to provide 100% of the needed base level coverage at all current Fire/Rescue stations.

Over the three-year period of performance, the SAFER will provide up to \$1,149,277 in federal funds for salary and benefits for these positions. The County would need to provide an estimated \$990,828 in local funds over three years to cover the additional personnel costs, physicals, personal protective equipment, uniforms, training, and overtime associated with their shift hours. Although not required, if the County opted to retain these positions after the grant award expired, the estimated annual cost is \$735,135 for salary, benefits, and operational costs.

Normally SAFER awards must be accepted within 30 days of award notification. DHS has provided an extension until October 12, 2018.

Chief Cullinan explained that he based on current recruit school scheduling, he anticipates being able to hire these positions by the end of January and that once their training is complete, he anticipates having them working in the field by late July or early August.

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

**Acceptance and Appropriation of a State Homeland Security Program Grant Award for a Regional Unmanned Aerial System (UAS) Program by the Sheriff's Office**

Major Carter Wells, Sheriff's Office, explained that the Federal Emergency Management Agency (FEMA) and the Virginia Department of Emergency Management (VDEM) have approved Spotsylvania County's FFY 2017 SHSP grant application request in the amount of \$45,150. The funding will be utilized by the Sheriff's Office for the purchase of two UASs, associated accessories, shipping, and UAS training.

Mr. Wells explained that the Sheriff's Office will be the implementing agency for this regional grant, with partners to include the Sheriff's Offices from the Counties of Caroline, Louisa, and Orange, as well as the Spotsylvania County Department of Fire, Rescue, and Emergency Management. The Spotsylvania County Sheriff's Office currently has four certified and licensed Federal Aviation Agency (FAA) UAS pilots and has adopted a General Order for the operation of the UASs. The UASs will be housed in the County for quick response to any potential threat within the County and/or to the partnering jurisdictions. If deployed to the partnering jurisdictions, the UASs will be operated by Spotsylvania County Sheriff's Office FAA licensed UAS pilots.

There is no local match requirement for this award. However, the Sheriff's Office will be responsible for all costs associated with licensing, registration fees, insurance, and all ongoing operational expenses, which they anticipate to be minimal. The Sheriff's Office anticipates that these costs can be absorbed through their FY 2019 Adopted Budget or Asset Forfeiture. The County has until October 12th, 2018 to accept the award. If accepted, grant funds will be available until March 31st, 2019.

Mr. Cole asked how the UAS would be used. Mr. Wells explained that per their General Orders they would be used for search & rescue; search and seizure (within Federal law); location of suspects; and overview of fire and accident scenes.

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 resolution.

**Other Business:****Adjournment:**

Ms. Sorrell adjourned the meeting.