



COMMITTEE MEMBERS PRESENT:

David Ross, Board Member
Paul D. Trampe, Board Member
Larry K. Pritchett, Treasurer
Debbie Williams, Commissioner of Revenue
Mark Cole, Deputy County Administrator
Mary Sorrell, Finance Director

OTHER STAFF MEMBERS PRESENT:

Marcia Stevens, Director of Budget and Payroll, Spotsylvania Schools
Michele Colbert, Executive Director of Human Resources, Spotsylvania Schools
Michael Mudd, Director of Elementary Education, Spotsylvania Schools
Carol Flenard, Assistant Superintendent of Instruction, Spotsylvania Schools
Bonnie Jewell, Budget Manager
Annette D'Alessandro, Grants Manager
Brad Quann, Procurement Manager
Jane Reeve, Chief Information Officer
Jay Cullinan, FREM Chief
Jason Irby, FREM Deputy Chief
Jeff Bailey, FREM, Division Chief
Stephen Wise, FREM Lieutenant

Budget Amendment for 6 Additional Teaching Positions Needed Due to Increased Student Enrollment; Funded by Additional State Revenues

Marcia Stevens, Director of Budget and Payroll for Spotsylvania Schools, explained that current class sizes at several elementary schools are larger than originally projected. In order to meet staffing requirements and address issues with large class sizes, on September 11, 2017, the School Board approved the restoration of 6 of the vacant 12.5 FTE positions that were eliminated in the FY 2018 budget. She explained that the cost of funding these additional positions is estimated to be \$490,000 and will be covered by an increase in State revenue, which is a result of the Average Daily Membership (ADM) exceeding the level anticipated in the FY 2018 budget. In order to fund these six additional positions, the School Board is requesting that the Board of Supervisors approve the related budget amendment and appropriation.

Mr. Pritchett asked if the increase in School population was a trend that would impact future enrollment estimates, including those that were used to determine the need for new schools in the Capital Improvement Plan. Ms. Stevens replied that if the increased trend continues it would impact future estimates.

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

Acceptance and Budget Adjustment for the FY18 Virginia Department of Fire Programs (VDFP) Grant Award for the Regional Burn Building FREM Lieutenant Stephen Wise explained that the Virginia Department of Fire Programs (VDFP) has awarded the Department of Fire, Rescue, and Emergency Management (FREM) a grant in the amount of \$34,449 for needed repairs at the regional burn building. The funding will be used for equipment, structural engineering and construction costs to correct these issues. The total costs for the proposed project is estimated at \$40,528. FREM will pay the remaining balance of \$6,079 from the already budgeted regional partner account that supports the regional training facility. The regional partners include the City of Fredericksburg and the County of King George.

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

Request to Submit an Application for the Virginia Department of Housing and Community Development's 2018 Virginia Telecommunication Initiative Grant Program

Mary Sorrell, Finance Director, explained that staff was not able to gather the necessary information to finalize the paperwork for this presentation: however, due to the grant deadline staff would like to update the Finance Committee on the grant opportunity and seek their direction on how best to address the timeline.

Annette D'Alessandro, Grants Manager, explained that the Virginia Department of Housing and Community Development (DHCD) will be awarding a total of \$1 million as part of its Virginia Telecommunications Initiative (VATI) to eligible applicants to provide last-mile broadband services to unserved areas of the state, with previous awards ranging from \$120,000 to \$300,000. The objective of the VATI program is to provide financial assistance to supplement construction costs by private sector broadband service providers, in partnership with local units of government, to extend service to areas that presently are unserved. She explained that the County would like to partner with Comcast to apply for this grant and that while VATI will fund a maximum of 80% percent of the total project cost with Comcast and Spotsylvania responsible for providing the remaining 20% percent of the project costs, it is anticipated that Comcast will absorb the balance of the costs associated with the project and the County will only provide in-kind services through use of personnel time associated with this project.

Ms. Reeve, Chief Information Officer, explained that Comcast will provide the construction and Spotsylvania County staff would provide support through management of the grant. However, we are still waiting for Comcast to provide the costs estimates that are necessary to complete the grant application. She explained that the VATI program is looking for shovel-ready projects that will meet minimum

implementation speeds of 10 Mbps download/3 Mbps upload at project completion. The Cable Commission, Information Services, and Comcast believe that the area of Marye Road will be the most competitive site within the County in meeting the grant program requirements.

The grant application deadline is October 31, 2017 and requires a 30 day public comment period prior to submitting the application. It is anticipated that award announcements will be announced in January 2018 with project completion by June 20, 2018. After the grant award period expires, there will be no on-going costs for Spotsylvania County.

Dr. Trampe asked if the funding from this program was 100% State, noting possible regulations with Federal funding. Ms. D'Alessandro said that she would confirm the source of the funding. After the Finance Committee was adjourned Ms. D'Alessandro was able to confirm that the VATI funding is 100% State funding.

Finance Committee members discussed options for meeting the grant deadlines and recommended that staff submit a bullpen item for the September 26, 2017 Board meeting, requesting the Board's approval to apply for the grant and if approved, allowing sufficient time for the 30 day advertisement requirement.

On a motion by Mr. Pritchett, seconded by Ms. Williams and passed unanimously, the Finance Committee recommended submitting the grant application resolution to the Board at the September 26, 2017 Board meeting.

Budget Adjustment to Correct Budget for the FY18 DCJS Victim/Witness Program

Annette D'Alessandro, Grants Manager, explained that the Commonwealth Attorney's Office receives an annual grant award from the Virginia Department of Criminal Justice Services (DCJS) for its Victim/Witness Program. During the County's FY 2018 budget process, DCJS had advised the County that they anticipated that the Victim Witness award would be \$260,253. This amount was included as anticipated revenue in the FY 2018 Adopted Budget. However, due to funding limitations the grant amount actually awarded for FY 2018 was reduced by \$5,103 to \$255,150.

Ms. D'Alessandro explained that in order to correct the original FY 2018 budget and to avoid supplanting, the Commonwealth Attorney's Office respectfully requests to use \$5,103 from the fund balance to replace the grant revenue that was originally anticipated to be received.

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

Capital Project Adjustments

Bonnie Jewell, Budget Manager, explained that staff is recommending several Capital Project adjustments including:

General Capital Projects

- A correction to the original budget for the FY 2018 Replacement Fire Equipment project. \$90,000 too much was budgeted in that project and should be transferred to the FY 2018 Replacement EMS project budget, instead.
- During the FY 2018 Budget process, funding was removed from the FY 2018 Replacement EMS Equipment project so as to reduce the total debt service to be paid in FY 2018. Staff was comfortable delaying the apparatus replacements by one year, and was comfortable that adequate funding existed in the FY 2015 Fire/EMS Equipment Reserve account to allow for various smaller equipment purchases to occur in FY 2018. Staff requests that the \$254,591 balance of the FY 2015 Fire/EMS Equipment Reserve be transferred to the FY 2018 Replacement EMS Equipment project to fund the purchase of laryngoscopes, defibrillators, and transport ventilators.
- The FY 2018 Budget included one-half of the cost of placing AEDs in County buildings where they do not already exist. We applied for, but were not awarded a grant for the other half of the funding. Staff requests that \$30,334 be allocated from the Capital Projects Fund balance to make this project whole and allow it to proceed after having not received the grant funding.
- What was originally budgeted as the Exit 126 Improvements project is currently comprised of two separate projects – the Rt. 17 widening and bridge project, and the Southpoint/Rt. 1/Exit 126 project. Through this budget adjustment, staff is separating the two projects to allow for adequate tracking of the funding and expenditures for the specific projects. The current Exit 126 Improvements project (TR1508) will continue to be the tracking location of the Rt. 17 widening and bridge project while a new project (TR1801) is established for the Southpoint/Rt. 1/Exit 126 project.
- The County applied to the State for \$875,000 in FY 2018 Revenue Sharing funds for the preliminary engineering costs associated with the Southpoint/Rt. 1/Exit 126 project but did not receive the funding. As such, there is a \$875,000 gap in funding between the payment that will be due to VDOT for the preliminary engineering in FY 2018 and funding currently on hand to make that payment. Staff recommends that \$875,000 of the initial \$1.0 million Jackson Village proffer for transportation be allocated to the Southpoint/Rt. 1/Exit 126 project to fully fund the County's costs of the preliminary engineering on that project.
- County staff has worked with VDOT to reconcile all costs on the VRE station/parking lot project and the project is complete and can be closed out. The attached budget adjustment reduces budgeted expenditures by \$2,277,822,

associated State revenue by \$1,573,433, and use of the Capital Projects Fund balance by \$704,389.

Ms. Jewell, explained that the requested adjustments for Utilities Capital Projects were typical capital project adjustments that included account corrections, transfer of funding between projects or adjustments necessary to close out completed projects. The adjustments are as follows:

- \$125,000 currently budgeted in the Utilities Operating Fund for GIS development services should, in fact, be budgeted in the Utilities Capital Projects Fund within the GPS Mapping project, instead. The attached budget adjustment factors in the necessary correction.
- The Water Treatment Plant SCADA Upgrades, New Post Sewer Pump Station, and Mine Road Extension projects are complete. As such, \$74,614 is being returned to the Utilities Capital Projects Fund balance from these completed projects.
- The Hazel Run Phase II - Pump Stations 4 & 10 project is complete and pending the receipt of final invoices. Staff projects the need for an additional \$3,113 to balance the project. This funding is factored into the attached budget adjustment to be funded by the Utilities Capital Projects Fund balance.
- Due to changes in State regulations, there is need for modeling of the Motts Run dam and downstream inundation mapping. To meet this need, staff requests a transfer of \$150,000 from the Connect Hunting Run & Ni River project to the Motts Run Dam Repairs project.
- To fund the final costs on the Lick Run Sewerline Extension project, staff requests a transfer of \$116,177 from the nearly completed Rt. 1/606 Water/Sewer Improvements project

Mr. Pritchett asked if we could request to move the excess State funding from the VRE Station/Parking Lot project to another County project. Ms. Jewell replied that there was really no excess State funding because the County had included the State funding in our budget, assuming the costs would be paid through the County budget, when in fact the State costs were paid directly by the State. After the Finance Committee Meeting was adjourned, Ms. Jewell realized that her response was only partly right, because \$746,243 of the State funding for this project will be available in the State Revenue Sharing program to transfer to another County Revenue Sharing project.

Mr. Pritchett asked about the overall impact of the proposed Utility Capital Project adjustments. Ms. Jewell responded that recommended adjustments would use \$53,499 of the Utilities Fund Balance.

On a motion by Mr. Cole, seconded by Mr. Ross and passed unanimously, the Finance Committee recommended approval of the proposed budget amendments and the associated appropriations.

Review of Updates to Procurement Policy

Brad Quann, Procurement Manager, explained that the Procurement Policy was last updated on December 13, 2016. Since that time the General Assembly has approved additional updates to the State Procurement Policy. Staff is proposing revisions to the County's policy to reflect both the 2017 legislation updates and to improve and enhance the policy.

Mr. Quann explained that staff had provided two versions of the proposed Procurement Policy, one with track changes, detailing the proposed edits and the second, which was a clean copy. Mr. Quann summarized the proposed changes and noted that they had been reviewed and approved by the County Attorney's office.

Mr. Ross asked for clarification on the exception to Competition for Energy Based Contracting. Mr. Quann replied that these services would still need to be procured through a competitive process, but that this exception made it clear that the County can purchase these services through a cooperative contract.

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

Other Business:

ADJOURNMENT

Ms. Sorrell adjourned the meeting.