

COMMITTEE MEMBERS PRESENT:

Debbie Williams, Commissioner of Revenue
Mary Sorrell, Finance Director
Paul D. Trampe, Board Member
Mark Cole, Deputy County Administrator



OTHER STAFF MEMBERS PRESENT:

Karl Holsten, County Attorney
Bonnie Jewell, Budget Manager

Authorization of Transfer from Contingency to External Legal Counsel for Assessment Appeals

Karl Holsten, County Attorney, explained that in May 2016 the Board authorized the County Attorney's Office to engage outside counsel to defend two tax assessment appeals; Walgreen Co. v. County of Spotsylvania, Virginia, Case Nos. CL13001151-00 and CL15000723-00 and that county staff had contemplated the need for additional funds to conclude litigation in the trial court. In Feb 2017, \$75,000 was transferred from the budget contingency to the County Attorney's Office budget for this purpose and the County Attorney's Office is now requesting an additional \$75,000 be allocated from the budget contingency to pay final litigation fees, costs, and expenses incurred in FY 2017. Mr. Holsten reported that the trial is now complete and we are waiting for the resolution from the Judge.

Dr. Trampe asked what balance was available in the contingency account. Ms. Sorrell reported that the FY 2017 Contingency account had a balance of \$518,530.

On a motion by Ms. Williams, seconded by Dr. Trampe and passed unanimously, the Finance Committee recommended approval of the FY 2017 budget amendment authorizing the use of Contingency funding to cover the cost of external legal counsel.

Approval of Budget Amendment & Appropriation for Economic Development Incentives for idX - Baltimore, Inc. in Association with the Company's Purchase of and Relocation to the Former GM Plant

Bonnie Jewell, Budget Manager, explained that on April 25, 2017, the Board approved economic incentives totally up to \$1.525 million for idX-Baltimore, Inc. in association with the Company's purchase of and relocation to the former GM plant in Spotsylvania. To be eligible for the incentives, the company must meet certain performance criteria relating to investment in improvements to and equipping of the facility and the creation of 150 full-time jobs.

Ms. Jewell explained that \$875,000 of the \$1.525 million incentives will be used at the outset of the grant award period with the remaining \$650,000 to be paid over the course of up to 10 years.

The incentives are as follows, \$875,000 in Up-Front Grants:

- \$400,000 from the Commonwealth's Development Opportunity Fund.
- \$400,000 local match to the Commonwealth Development Opportunity Fund grant including \$300,000 for reimbursement of a portion of the company's purchase price of the plant and \$100,000 in funding incentives for costs related to infrastructure improvements at the facility.
- \$75,000 grant equal to the permit fees paid by the company to the County.

The remaining \$650,000 in is to be paid over 10 years:

- Up to \$400,000 in grants related to jobs, at a maximum of \$40,000 per year for each year the company meets performance criteria related to jobs.
- Up to \$250,000 which is equal to 50% of the business property taxes and machinery and tools taxes paid by the company for the facility and associated equipment over a ten year period.

Ms. Jewell explained that staff is requesting the Board's approval of the two budget amendments and associated appropriations that will be necessary to fund the grant commitments in FY 2017 and FY 2018.

On a motion by Dr. Trampe, seconded by Ms. Williams, and passed unanimously, the Finance Committee recommended approval of the proposed budget amendments and appropriations.

Approval of Budget Amendment to Correct Estimates of Tower Rental Revenue

Bonnie Jewell, Budget Manager, explained that a budget adjustment is necessary to correct the estimates of tower rental revenue assumed for both the General Fund and Utilities Operating Fund in the FY 2018 Adopted Budget.

Ms. Jewell explained that \$36,068 in revenue expected from equipment placed on the Sawhill water tank was incorrectly included in the General Fund budget for FY 2018 and needs to be shifted to the Utilities Operating Fund budget. Also, \$35,190 in revenue expected from a new agreement for placements on the Battlefield water tank was not included in the budget and needs to be added to the FY 2018 budget.

On a motion by Mr. Cole, seconded by Dr. Trampe, and passed unanimously, the Finance Committee recommended approval of the proposed budget adjustment to correct estimates of tower rental revenue.

Adjustment to FY 2017 Revenue Budgets to Match to Third-Quarter Projections

Bonnie Jewell, Budget Manager, explained that staff provided the FY 2017 third quarter financial update to the Board and that based on collections through the beginning of May 2017, staff anticipates that General Fund year end revenue collections will vary from the currently budgeted estimates by approximately \$3.5

million (1.4%). Ms. Jewell noted that the bulk of the increased projections for revenue in FY 2017 had already been factored into the FY 2018 Budget figures.

Staff is now requesting the Board's approval to adjust the FY 2017 Budget to reflect the updated revenue projections as noted on the attached Recommended 3rd Quarter Revisions – FY 2017 General Fund Revenues report.

On a motion by Mr. Cole, seconded by Dr. Trampe, and passed unanimously, the Finance Committee recommended approval of the budget amendment to adjust the FY 2017 Revenue projections.

Other Business:

None

ADJOURNMENT

Ms. Sorrell adjourned the meeting.